No. 34,237

PARIS, SATURDAY-SUNDAY, MARCH 27-28, 1993

New Chief Promises to Take a Hard Look at IBM

Gerstner, RJR Veteran, Suggests No Business Will Be Untouchable

By Lawrence Malkin

NEW YORK - Louis V. Gerstner Jr., the NEW YORK.—Louis V. Gerstner Jr., the RJR Nabisco chief who was chosen Priday to lead IBM, promised a "no-holds-barred" approach to rebuilding America's premier computer company. As the man who returned the most debt-laden company of the 1980s buyout large to profitability, he has the right profile.

binge to promating, he has the right profile.

RJR simultaneously announced that two of Mr. Gerstner's team, Lawrence R. Ricciardi, corporate counsel, and Karl M. von der Heyden, chief financial officer, would operate as co-chairmen. They were promoted by Henry R. Kravis, the buyout king who is RJR's dominant investor; he left no doubt that he would continue the comment's studies hand during the ne as the company's guiding hand during the difficult task of floating a stock issue to sepa-rate RJR's thriving food business from its trou-

bled tobacco operations,

Mr. Gerstner, who will be chairman and chief executive, is the first outsider to lead.

International Business Machines Corp. since Thomas J. Watson joined it in 1914 and created its distinctive corporate culture. But analysts pointed out that the outside appointment had a certain logic; All previous chairmen have risen through Mr. Gerstner's speciality of marketing, not engineering, and furthermore, IBM's button-down culture of valuing loyalty over imagination has failed it as the computer business

INTEREST.

11. Lugg

changed but the company did not.
Tanned and looking relaxed, Mr. Gerstner, 51, said at a brief news conference that after taking over next week from John F. Akers, the Big Blue veteran who was forced out in Jamiary, he would "look at every business with a noholds-barred approach."

This was his task at RJR, where in less than four years he sold off 56 billion in assets including 7 of 11 corporate jets, 30 corporate apartments, the Del Monte food brands, and a number of the company's food franchises in Europe and Asia, which nevertheless retained their Nabisco names. That helped halve the company's debt from \$29.6 billion at the time of the 1989 brown to \$14.2 billion are provided their input of debt from \$29.6 billion at the time of buyout to \$14.2 billion now and take it put of the red for a net profit of \$368 million in 1991. Net profit in 1992 was \$299 million.

Although Mr. Gerstner said his suggest at

Although Mr. Gersiner said his supery sit IBM "is not going to be a short-term fax." he will also have to move fast. The company post-ed a loss of almost \$5 billion has year because deal with sales declines of almost 50 percent in IBM's core mainframe computer business. The worldwide hemorrhaging continues. Hours before the announcement in New York, IBM Japan reported a 74 percent drop in profit

because of weak sales and a computer price war. It also resluffled its top management. Ahead of Friday's announcement, the busi-

ness press was filled with reports about leading computer executives who had refused the job, starting with John Scalley of Apple Computer Inc. But the overriding question was whether anyone from outside the computer business could transform Big Blue.

"IBM's long tradition of marketers at the helm makes this less countercultural than it first appears, and Gerstner is a marketer second See IBM, Page 6

Kiosk

Iraq Is Warned



A Muslim Woman Bids a Final Farewell in Sarajevo

A woman kissing the grave marker of her husband during his snowblown funeral in Sarajevo on Friday. A heavy snowfall helped the mourners since it prevented Serbian snipers from shooting at them, which they normally would. Western nations, meanwhile, demanded that the rebel Bosnian Serbs accept a peace accord or face new, stiffer economic sanctions. Page 2.

In Land of Foie Gras, Politics Get Nasty

By William Drozdiak Woshington Post Service

SARLAT, France - Ever since the German occupation, the picturesque Périgord region and its bucolic inhabitants have been renowned for their fiercely leftist political sympathies shaped as much as for their fole gras. When France's snave foreign minister, Ro-

resentative in the National Assembly five years ago, it seemed to hold the promise of a lifetime are. As a close ally of the Socialist president, François Mitterrand, and the son of a legendary resistance hero who was executed here, Mr. Dumas possessed all of the right political credential

But the magnitude of the conservative landslide in France's parliamentary elections appears so great that it may overwhelm many traditional Socialist fieldoms when runoffs are

Like other barons of the Socialist party including Michel Rocard, a presidential hopeful and former prime minister, and Culture Minister Jack Lang — Mr. Dumas seems in serious danger of losing what was once a guarenteed leftist seat.

The conservative alliance headed by Jacques Chirac and Valery Giscard d'Estaing hopes to capture as many as 480 of the Assembly's 577 seats when the second round of voting is over.

The Socialists may be left with as few as 70

seats, far behind the 270 they controlled in the even after the conservatives take over govern-

outgoing parliament.
"I hope the people of this region realize the dangers of a one-legged, right-wing assembly," Mr. Dumas said in an interview during a break in the whirlwind of 11th-hour appeals for sup-

"I think the outcome of the first round will sbock them into seeing that much of our afflu-

The victorious right is likely to force out the heads of some state-run companies. Page 9.

ence comes from a strong public sector that can

only be preserved by the left." Mr. Dumas won only 22 percent of the votes on the first round, barely half the score of his conservative rival, and he will need every ballot he can muster from disparate Communists, ecologists and dissident Socialists to win a

majority in the second round.

Casting aside his image as a debonair diplomat, Mr. Dumas has dropped all pretense of striped-pants niceties as he proselytizes the Pe-

rigord peasantry.

He has branded the conservatives as "little fascist worms" and warned that if they wind up with a huge parliamentary majority, France's extensive social welfare programs will be gut-

Mr. Dumas, 73, is expected to continue as Mr. Mitterrand's foremost diplomatic adviser

ment next week as France enters another phase of "cohabitation" rule between a Socialist president and a rightist cabinet.

But at Mr. Mitterrand's behest, Mr. Dumas and other Socialist stalwarts are waging a desperate bid to dilute the conservative majority by salvaging every seat they can. And in trying to rally what the president calls the "forces of progress" behind them, the Socialists are pulling every lever of power within their grasp during the waning days of the campaign.

While Mr. Lang is offering special tours of the Louvre for voters in his Loire Valley constituency of Blois, Mr. Dumas has been showering his people with dazzling gifts of advanced medical technology.

After his opponents accused him of neglecting the Perigord while he served as Mr. Mitterrand's globe-trotting troubleshooter, Mr. Du-mas unveiled several prize plums last month to be awarded to the region, including a new cardiovascular center and a scanner for the local hospital here.

The scanner, however, may turn out to be a poisoned gift for the Dumas campaign. The benefactor that offered to pay the 8.2 million franc cost (\$1.5 million) of the scanner turned out to be the Tlas foundation in Liechtenstein. The philanthropy is run by Nahed Ojjeh, a

See FRANCE, Page 6

Yeltsin Indicates He'll Accept Early **Elections in Effort** To Defuse Crisis

By Michael Dobbs

Washington Past Service
MOSCOW — President Boris N. Yeltsin and the Russian parliament appeared Friday to be moving toward an uneasy compromise that would give the electorate the final word in defusing the country's political and constitutional crisis.

Addressing an emergency session of the Congress of People's Deputies, or supreme legislature, Mr. Yeltsin stood by his demand for a nationwide vote of confidence on April 25 in which electors would also be asked to express their opinion about a new constitution.

But he also indicated that he would not oppose the calls of his political rivals for parliamentary and presidential elections to be held ahead of schedule in the autumn.

"I have made my choice," said Mr. Yeltsin, the first popularly elected leader in Russian

The power struggle plays out in the provinces, in all its contradictions. Page 2.

history. "I leave my fate in the hands of the most just and supreme judge, the people."
[President Bill Clinton said that developments Friday in Moscow were heartening but that it was critical not to "place too much importance on the momentary events, the dayto day events," because "it is difficult to determine what is going to happen day to day now," The Associated Press reported. He spoke at a press conference with Chancellor Helmat Kohl after discussing a Russian aid package with the German leader.]

In a further gesture toward his conservative critics, the 62-year-old Mr. Yeltsin dismissed one of his radical economic ministers and invited the legislature and political parties to pro-pose candidates for a more broadly based gov-

Russian political analysts said the cabinet reshuffle strengthened the position of Mr. Yeltsin's principal economic strategist, Boris G. Fyodorov, who will combine the post of finance minister with that of deputy prime minister.

For its part, the Congress backed away from threats to impeach Mr. Yeltsin in retaliation for his abortive attempt last weekend to assume emergency powers, among them the power to overrule any decision made by the legislature. After five days of increasing political tension, the president issued a decree Wednesday that made no mention of emergency powers and explicitly recognized the authority of the Con-

gress and the Constitutional Court. Both sides have stepped back from the brink," said Leonid Gurevich, an independently minded deputy. "It turns out that neither side had the strength to win and impose its position

But although there were signs that neither Mr. Yeltsin nor his political opponents are prepared for a final confrontation, the emergng compromise is both fragile and provisional.

There is likely to be a sharp dispute over the wording of the questions to be put to the electorate on April 25, with parliament resisting any attempt by Mr. Yeltsin to use the occasion to push through his version of a new constitution. Previous power-sharing agreements have

See RUSSIA, Page 2

G-7 Offers Its Boost to Yeltsin: An Aid Meeting

By James Sterngold New York Times Service

TOKYO — Easing its resistance to pro-viding substantial and to Russia, the Japanese government announced Friday that it would be host to an emergency meeting of the finance and foreign ministers of the wealthiest industrial nations next month to devise a major new financial aid package for Russia.

Yohei Kono, the chief government spokesman, said the meeting of the Group of Seven industrial nations will be held here April 14 and 15, about 10 days after President Bill Clinton is scheduled to meet President Boris N. Yeltsin of Russia to ers, ied

discuss specific aid proposals.
[In Washington, Mr. Clinton said he and Chancellor Helmut Kohl of Germany agreed that the West's "paramount chal-lenge" in the post-Cold War era was to support democratic and political reforms in Russia. The Associated Press reported.

[Mr. Clinton said he still was working on an expanded aid package to present to Mr. Yeltsin at their April 3 and 4 meeting. He said he and Mr. Kohl discussed additional steps that U.S. allies could take to help Mr. Yeltsin speed the pace of reform.]

The contents of the package must still be worked out at what promise to be tough negotiations, and some senior Japanese officials made it clear they felt fresh mon-ey for Russia would do little good and that they were acting largely at the urging of the United States.

But the government has chafed at recent comments by German, French and American officials suggesting that Japan was obstructing a major aid proposal becau of a bitter territorial dispute with Russia left from World War II. With its credibility as a player on the world political stage at risk just as it is ascending to a position of influence. Japan has shown new flexi-bility to avoid charges of foot-dragging and is likely to commit billions of dollars in fresh economic assistance, officials said.

The Group of Seven comprises the United States, Japan, Britain, Germany, France, Canada and Italy. A senior Russian official will be invited

to attend the emergency meeting. Japanese officials said. They added that it had also been formally decided Friday to invite President Yelisin to a summit meeting of the Group of Seven scheduled here in July. The intent of the emergency meeting is to provide visible support for Mr. Yeltsin and his battle to restructure the country's economie and political system.

Officials here said that at the least the new aid package, which follows a commit-ment of more than \$24 billion last year, would include a major easing of the terms of Russia's \$80 billion in foreign debt and financing to assist the nation's transition from a state-controlled to market economy. This could involve a reduction in interest rates on the deht and a deferral of payments.

Japanese officials indicated that they wanted to put the debt rescheduling at the center of the package, in part because it would be politically easiest for them. Japan still harbors enormous suspicions to-ward Russia because of a dispute over what are known here as the Northern Territories, off the northeast coast of Hok-

These three bleak islands and a group of islets in the Kuril chain were seized by the Soviets in the waning days of World War II and their small population expelled. Until recently, Japan had insisted that a

See AID, Page 2

Clinton Budget Calls for Cut Of 30,000 Troops in Europe

WASHINGTON - President Bill Clinton's military budget calls for \$263.4 hillion in spending next year, according to official documents obtained Friday, and envisions pulling 30,000 troops out of Europe.

The plan for fiscal 1994, which begins this

October, calls for a cut in the number of navy battle force ships to 413 from 443, a drop in aircraft carriers to 12, trimming the number of army active divisions to 12 from 14 and reducing air force fighter wings to 24 from 28

"This is in many ways the first truly post-Cold War budget," Defense Secretary Les Aspin said in a statement accompanying the documents, scheduled to be released next week. "It cuts Cold War forces and begins to

buy the new capabilities we need to meet the

new dangers we face." The number of U.S. troops in Europe would be reduced to 133,700 by the end of the fiscal year. This is a reduction from 164,000

in fiscal 1993 and 304,000 in fiscal 1990. The overall budget calls for \$250.7 billion for the Defense Department and \$12.7 billion for the Energy Department and other related programs. Copies of the budget were ob-tained from congressional sources.

The Pentagon said Mr. Clinton planned to cut \$88 billion more from military spending from fiscal 1994 to fiscal 1997 than the Bush administration had envisioned cutting.

Specifically, the budget continues produc-

See BUDGET, Page 6

China Set on 'Cool' as Economy Gets Hot

By Nicholas D. Kristof New York Times Service

BELIING - One of the biggest headaches for China's leaders as this year began was an overheating economy that threatened to ignite inflation. They fretted about it, fought about it and warned the public about it. Now, in a demonstration of the power of positive thinking, the problem has disap-

It is not that anything happened to the economy. But an 88-year-old retiree with no training in economics and no formal position these days reportedly told associates that the economy was fine.

Since the man's name is Deng Xiaoping and he is China's unofficial emperor, everyone decided be had a point.

Leaders began urging the public to "seize the opportunity" and pick up the economic pace. The central bank announced that it would pursue an easy monetary policy. The expression ("guo ri") ("overheating") virtualvanished from the official press.

The episode illustrates how China functions these days, and some economists believe

it also underscores the risks of basing policy decisions on the whims of emperors. For even if China's officials have all got the message, the economy has not

"It's clearly overheating," a foreign economist in Beijing said. "Look at the way prices are going up, look at the way investment is soaring, look at the shortages and bottle-necks. For a dozen years, China has been following a boom-bust cycle, and now we're headed down the same road. I can see the bust coming."

But other economists are much more optimistic. And even some of the overheating scenarios - such as rising inflation that eventually forces a yearlong "recession" in which the economy grows by only about 4 percent
—would be a dream come true for the United States or Europe.

The real problem is political rather than economic: How will the public react to rising prices? The last bout of inflation helped provoke the democracy demonstrations in the spring of 1989.

People are grumbling about rising prices and about programs for raising medical costs

and housing prices to rational levels. Economists say price liberalization is a great idea,

but workers are unconvinced.

Official statistics show that by the end of February, price levels in major cities stood 15.3 percent higher than a year ago. China does not disclose monthly changes in inflation, but other statistics suggest it is now probably running at an annual rate of more than 20 percent in major cities and is gaining

Concern about overheating is perhaps in-evitable considering that China is experienc-ing a spectacular boom, resulting in 12.8 percent growth in gross domestic product last year. Most economists believe that is too fast a clip to be sustained for more than a couple

Excessive growth in an economy is a bit like sprinting full speed for the first few hundred yards of a marathon. It looks great at first, but it is so tiring that it means slowing

down later on. "The government officials I talk to are

See CHINA, Page 2



and "we wanted to make absointely clear where we stood." General News Democrats wavering on Clin-

ton's stimulus plan were advised to 'capport the leader.' Page 3.

First locked horns with magistrates investigating Italy's corruption scandals.

Prime residential property, the Clinton tax maze, economic out-Pages 14-15.

Dow Jones Down 21.34 Up 0.32% 3,439.96 95.84 The Dollar

1,487

116.575

1,475

117.35

A German steelworker making his point during a mass march and demonstration Friday in Boun. Steelworkers demanded that Chancelior Kohl help in rescuing the German industry. Page 6. It's Time to Spring Forward Again LONDON (AP) — Europe turns clocks ahead on Sunday. Most countries will move their clocks at 2 A.M. Britain and Ireland will remain an hour behind much of the Continent, while Bulgaria,

advance their clocks forward until April 4:



MUNICH INTERNATIONAL COMMUNITY CHUR-CH.Evangelical, Bible Believing, services in English 4:15 p.m. Sundays at Enhuber Str. 10 (UZ Theresienstr.) (089) 93 45 74.

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FUROPEAN BAPTIST CONVENTION

BARCELONA INTERNATIONAL BAPTIST CHURCH meets at Tray, des les Corts, 340-344, 2.

Renewed Economic Sanctions Mr. Karadzie said after talks at the United Nations in New York BRUSSELS — The European Community joined the United States and other nations Friday in that he expected Cyrus R. Vance and Lord Owen, the international demanding that rebel Bosnian mediators, to continue to try to Serbs accept a peace agreement or face new economic sanctions. The

West Insists Serbs

Sign Bosnia Accord

EC and Washington Threaten

Committed by Our Staff From Dispatches

Serbs remained unmoved.
Indicating renewed Western willingness to press the Serbs, President Bill Clintoo invited the Bos-

nian president, Alija Izetbegovic, to join him and Chancellor Helmut

Kohl of Germany for part of their

States would send troops as part of a multinational force to help keep

The meeting came a day after Mr. Izetbegovic signed key ele-ments of a plan to end bloodshed in

Bosnia-Herzegovina by creating 10 provinces in his country.

But despite their growing isolation, the leader of the Bosnian

Serbs, Radovan Karadzic, threat-

cned to quit peace talks if the inter-

national community took a hostile line against the Serbs.

dividing the former Yugoslav re-

public along ethnic lines, as pro-

posed by negotiators, be redrawn

to meet Serbian demands.

A United Nations general, Lars

Eric Wahlgren, said Friday that the

Bosnian Serbs had agreed to a cease-fire throughout the republic

beginning Sunday. But it was un-clear whether this cease-fire would

be any more successful than dozens

of other truces that have come un-

Serbs Threaten

German-Aided

UNITED NATIONS, New

York — The UN said Friday that Bosnian Serbs had threat-

ened to shoot down any planes dropping relief supplies over Bosnia-Herzegovina if Ger-

man planes joined the opera-

"There were Serbian threats

to shoot down flights if Ger-

man planes took part - in

other words to shoot down all

flights if they knew that Ger-

mans were participating," said

He said the matter was un-

der discussion among officials

of the United States, France,

Germany, the UN High Com-

missioner for Refugees and

the UN force in Bosnia. "A

judgment will be made after

the discussion nn whether or

not in exclude German

AMSTERDAM

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BRUSSELS

Reform Conservative Jawish, Brussels: Pas-sover Seder in English, Tuesday, April 6th, Beth Hillef Synagogue, 332-2528.

FRENCH RIVIERA

CORNERSTONE CHRISTIAN FELLOW-

Antipolis, 10:30 a.m. Sundays; nursery

FRANKFURT

CHRIST THE KING. (Episcopel/Anglican). Sebastian-Rinz-str. 22, U1,2,3 Miquel-Alte. Sun. Holy Communion 9 & 11 a.m., Sunday

MADRID

School and Nursery 10:45 a.m.

a UN spokesman.

flights." he said.

Relief Flights

done almost immediately.

He insisted that a map of Bosnia

White House consultations. They will be in the wrong if they find a solution. "We would certainly not cooperate," he added, "with those who are partial, nne-sided, who are against the Serbs and who are punishing Serbian people, the entire Serbian

The Yugoslav press agency Tan-jug quoted him as having said earli-First they satisfied the Croats, then the Muslims. Now they have

do not sign this agreement," Mr.
Clinton said adding that he would
give the Serbs a few days before
deciding whether in "up the ante."
He reiterated that the United tn satisfy the Serbs."

The EC, in a statement from Brussels, threatened the "total isohrussels, inreatened ne total iso-lation of Serbia-Montenegro" if the Serbs did not accept the UN peace plan, which was signed by Bosnia's mainly Muslim government Thurs-

day night.

If the Bosnian Serbs refuse to accept the plan now, full interna-tional pressure will be brought to bear on them," the EC said. "The Community and its member states will continue strengthening sanc-

The statement called on the Serbs tn "stop all aggressions at

The Serbs were left isolated when the Muslim and Croatian factions signed the plan, which provides for the division of Bosnia into 10 largely autonomous provinces

under a loose central government. With Mr. Karadzic saying that he "cannot and must not accept" the plan, the peace talks appeared over for the moment, and the Security Council seemed to be moving into action. A resolution is expected next week threatening new sanc-

tions against Serbia, which is seen as holding the key to the problem. If the Bosnian Serbs, who seek their own state in Bosnia, remain adamant that they will not sign, a further resolution would impose the actual sanctions, whose options include cutting transport links, freezing financial assets and seizing airplanes, trucks and ships that violate sanctions already in place.

In related developments Friday: • The United States said it would accept 2,000 more refugees from Bosnia-Herzegovina and give priority to victims of rape and tor-ture, the U.S. Embassy said in Za-

 An observation aircraft assigned to monitor relief drops in Bosnia-Herzegovina crashed in the Ionian Sea, and five crew members were missing, the U.S. Navy said. The E-2C Hawkeye, based on the carrier Theodore Roosevelt, had not encountered hostile fire, according to a U.S. statement. The occurred about a mile from

 Prosecutors in a Sarajevo war crimes trial called Friday for the death penalty against two Serbian soldiers, Borislav Herak and Sretko Damjanovic, accused of genocide, rape and murder, describing them "direct executors" of a criminal

(AP, Reuters, AFP)



The "power" ministers, from left, Lieutenant General Viktor F. Yerin, interior minister; General Pavel S. Grachev, defense minister, and Colonel General Viktor P. Barannikov, security minister, at a Congress of People's Deputies meeting Friday.

Power Struggle Plays Out in Provinces

By Celestine Bohlen

New York Times Service
MOSCOW — From the Finnish border to the Arctic expanses of eastern Siberia, reaction to the power struggle in Moscow has been varied and contradictory, offering a realistic picture of the strains within the giant and increasingly wohbly Russian federation. In some regions, the conflict in the capital has been mirrored, with regional councils,

known here as "soviets," taking the side of the Russian parliament, and the heads of local administrations fullowing the lead of President Boris N. Yeltsin, who in most cases had a direct hand in their appointments.

But many leaders in the regions, republics and ciries that make up the 88 "subjects" of the Russian Federation have also expressed the wish that Moscow quickly and peacefully resolve its problems, and leave them alone to carry on with their appointed tasks.
"I am airaid that now, the reforming po-

tential of both the president and the parliament has been exhausted," said Viktor Igna-tenko, chairman of the regional council in

(Continued from page 1)

amounted to little more than a tem-

Underlying the dramatic events

of the past week are two entirely

different conceptions of the future shape of Russian political system

and the pace of the country's tran-

sition to a market-style economy.

Mr. Yeltsin would like to create a

strong presidency to push through

painful economic change. His op-

ponents believe that "shock thera-

py" will end in disaster and want to

subordinate the government to

Addressing the Congress on Fri-

day evening. Vice President Alex-ander V. Rutskoi launched a hlis-

tering attack on the government's

economic policies and accused the

close parliamentary supervision.

porary political cease-fire.

Irkutsk. "Therefore the 'subjects' of the fed-eration should deal with these issues."

Throughout the feud between Mr. Yeltsin and his parliamentary rivals, conservatives have repeatedly argued that a national referendum — like one now proposed by Mr. Yeltsin — may be boycotted by more separatist-minded republics, which would use the opportunity to break with the federation.

In regions where the local executive and legislative branches have managed to resolve their differences, the struggle in the capital feels mercifully far away. "Actually we do not feel any repercussions of what is going on in Moscow, except that both the president and the Supreme Soviet call everybody to keep peace and quiet, and we follow this advice," said Mikhail P. Ryabov, an aide to the head of the local administration in the city of Ryazan, east of the capital.

Tula, a region greatly affected by militaryrelated industries, went through a time last summer when the local council and the administration head, a Yeltsin appointee, were

RUSSIA: Yeltsin Indicates He'll Accept Early Elections to Defuse Crisis

president's aides of blocking his both the president and parliament

initiatives on agrarian reform and on Oct. 10. It also suggests the

creation of a Western-style two-

chamber parliament to replace the

unwieldy two-tier legislature under

which the Congress delegates some

of its power between sessions to a working parliament known as the

According to the Russian Inter-

fax news agency, the draft resolu-

tion endorses the idea of a referen-dum on April 25 but proposes a

different set of questions for the

In addition to a vote of confi-

dence in the president, two other

questions are envisaged: on early

parliamentary and presidential elections, and on Mr. Yeltsin's eco-

nomic program. Under the existing

constitution, the parliament has the

1990 at a time when the Commi-

nist Party was still in power. Sever-

al depoties predicted that it could

be even more conservative given

the fact that onemployment is like-

Japan Says Yes

(Continued from page 1)

return of the islands was a precon-

dition for providing significant aid.

But it agreed under pressure from the other G-7 countries to

provide large-scale Immanitarian

and technical assistance two years

ago, and now officials are saying that Japan could agree to provide

billions of dollars more as long as it

is handled by multilateral institu-

tions, such as the International

Monetary Fund and the World

A senior Foreign Ministry offi-

cial said a new organization might

be established by the G-7 at the

emergency meeting to manage

fresh aid commitments. But several

officials insisted that they would

resist a proposal made by the Clin-

For instance, one idea offered by

the United States has been to pro-

vide money in build housing for

soldiers brought back to Russia from former Soviet republics. But

Japanese officials have insisted this

vas not acceptable to them, since it

might improve conditions for the

Russian soldiers who still occupy

One of the problems the coun-

tries will try to overcome, Japanese

officials said, is that about half of

the \$24 billion in aid offered last

vear was never distributed because

Russia failed to meet various con-

ditions set for its disbursement.

the Northern Territories.

specifically to social projects.

nistration to direct money

AID:

Bank.

Supreme Soviet.

voters.

at loggerheads over the pace and scope of

economic change.
According to Alexander Yermakov, a newspaper editor in Tula, the two sides have taken up different sides in the current conflict, but not to the point of reviving their old local confrontation, which has been largely resolved in recent months.

The harshest reaction, though, to Mr. Yeltsin's call for stronger executive authority has come from some of the 20 ethnic republics. In Ufa, capital of Bashkortostan, Murtsza Rakhimov, the chairman of the republic's Supreme Soviet, said he was "stunned by Yeltsin's statement, as it actually establishes a dictatorship in the country.

In the Kuzbas, a coal-mining region where support for Mr. Yelisin among the miners has traditionally been strong. Yuri Komarov, a deputy to the local council, said the miners were ready to strike if the Congress tried to impeach the president Friday. But, he said, support for the Congress is strong on the local council, where 70 percent of the deputies. ties are former Communist Party officials.

likely to worsen.

Yeltsin supporters.

the cabinet.

As the deputies gathered inside the Kremlin for the second emer-

gency Congress in three weeks, supporters and opponents of Mr.

Yeltsin's staged rival demonstra-

tions. Police officers on horseback

separated several thousand Com-

munists and extreme nationalists

from a roughly similar number of

In his government reshuffle, Mr.

Yeltsin dismissed Economics Min-

ister Andrei A. Nechavev, who has

been sharply criticized for presid-

ing over a dramatic fall in industri-

al production. Another deputy

prime minister, Boris G. Saltykov,

was demoted to the post of minister

of science and technical policy. Fi-

nance Minister Vasili Barchuk left

significant shift in government pol-icy, since Mr. Fyodorov remains in

overall charge of economic change.

administration, Sergei A. Filatov,

said further ministerial change

were possible as Mr. Yeltsin want-

ed to bring more "professional peo-

The impeachment drive against

Mr. Yeltsin appears to have fizzled

out as a result of his decision not to

seek special rule. The Constitution-

al Court chairman, Valeri D. Zor-

kin, who had earlier ruled that Mr.

Yeltsin's television address last

Saturday violated the constitution

said Friday that any attempt to

impeach the president could have

Yeltsin Cancels

Domestic Stops

MOSCOW - President Bo-

ris N. Yeltsin, facing chal-

lenges to his power, has can-celed planned visits to

Siberian and Far Eastern re-

gions on his way to a meeting

in Vancouver, British Colum-

off, but Mr. Yeltsin seemed

unwilling to leave Moscow for

longer than necessary at a time

of high political tension.

ton of the United States.

catastrophic consequences.

ple" into the government.

But the head of the presidential

WORLD BRIEFS

Ulster Police Make Arrests in Slaying Of 4 Catholics by Protestant Gunmen

BELFAST (AP) — Ulster police arrested several men Friday in the killing of four Roman Catholic workmen by a Protestant extremist group. The Royal Ulster Constabulary headquarters in Belfast said the man were picked up in Coleraine. It is near where the workmen were gunned down Thursday in Castlerock, a town 50 miles (80 kilometers) northwest of Belfast. The police would not say how many suspects were being held.

A pro-British terrorist group, the Ulster Freedom Fighters, claimed responsibility for killing the four men and for shooting a Catholic teen-

responsionity for kining the four their and the shooting a canonic ten-ager to death hours later in Belfast. The paramilitary group threatened more sectarian killings. The Freedom Fighters and another loyalist or unionist group, the Ulster Volunteer Force, have been responsible for most of the 24 deaths in Northern Ireland this year.

Protestant anger and fears have been exacerbated by the 1985 agreement that gave the Irish Republic a consultative say in Britain's running

U.S. Marines Act to Protect Kismayu

MOGADISHU, Somalia (AP) — U.S. Marine jets roared over Kismayu on Friday as Marines came ashore for an action designed to keep
warring Somali factions away from the disputed southern port.

Warplane and helicopter flights are a preinde to Saturday's sweep of
the region by nearly 2,000 troops from the U.S.-led coalition. About 1,300
Marines from a founching away lightness assemble force are landing and Marines from a four-ship amphibious assault force are landing and unloading supplies at a Belgian base in the port area, a Marine spokes-

The Marine force arrived less than a week after the withdrawal of a 500-man U.S. Army rapid deployment force, sent to quell lighting

Hezbollah Frees Lebanese Fighter

BEIRUT (AP) — The Iranian-backed Hezbollah released a militiaman of the Israeli-backed South Lebanon Army to the Red Cross on Friday. Beirut radio said. The move followed the army's release of 16 Shine Muslim prisoners on Tuesday and could herald further prisoner ex-

Both Hezbollah, or Party of God, and the army said they released the prisoners to mark Islam's three-day feast that ended the holy fasting month of Ramadan. On Tuesday, the army released 16 prisoners from a prison in Israel's self-styled security zone in southern Lebanon.

4 Earthquakes Hit Southern Greece

ATHENS (Remers) — Four earthquakes measuring up to 5.2 on the Richter scale slightly injured nine people and damaged many homes and public buildings in southern Greece on Friday, the police said.

The strongest of the tremors, which occurred within 15 minutes, had its epicenter 190 kilometers (115 miles) west of Athens, near the town of

Pyrgos just inland from the lonian Sea. The police said electricity was cut off, a wing of the town hospital was evacuated and many homes appeared to have been seriously hit, "Everybody has panicked and is out in the streets but we had no reports of any serious injuries," a police officer said.

For the Record

The Canadian defense minister, Kim Campell, 46, has announced her candidacy to head the Progressive Conservative Party and replace Prime Minister Brian Mulroney, who has announced his retirement. (AFP)

A ruling on the appeal of Winnie Mandela was delayed because five appeals judges reserved judgment Friday in Bloemfontein, South Africa, on her six-year sentence for kidnapping and assault. The estranged wife of the ANC leader, Nelson Mandela, is free on bail. (Reuters)

Italy's cabinet agreed to hire 1,000 prison guards so it can reopen mused prisons to defuse growing tension in overcrowded facilities, the Justice Ministry said Friday. Penal institutions are packed with 50,000 inmates — 10,000 more than a year ago. (Remers)

ly to increase significantly by the autumn while living standards are Correction

A brief item in Thursday's editions about an antitrust settlement against airlines in the United States misstated some instructions for air travelers eligible to apply for discount coupons for future flights. Travelers seeking claim forms should write to Afrime Antitrost Legislation, P.O. Box 209, Philadelphia, Pa. 19107.

TRAVEL UPDATE

London bus drivers will join rail workers and miners in a one-day strike on Friday, the Transport and General Workers Union said. The stoppage is expected to cause severe traffic problems. It will be the second one deprotest by drivers over proposed pay cuts. The rail stoppage is to protest job losses. The Underground has yet to be affected.

Singapore Airlines will begin weekly flights to Durban, South Africa, on Tuesday, the company said. The carrier has two flights a week to Iohannesburg.

Electronic Data Systems Corp. said it expected to restore service Friday to 5,200 automated teller machines around the United States that had been shut down for nearly two weeks after one of the company's computer centers was disabled by a snowstorm. (NYT)

At first glance, the ministerial changes did not appear to reflect a A Paris Métro train derailed during the morning rush hour Friday. There were no injuries, the authorities reported, but traffic was interrupted for several hours.

British fishermen protesting imports of foreign-caught fish blockaded the port of Plymouth on Friday, preventing ferries and warships from docking. It was the second blockade this week.

(Reuters)

Louis Falco Dies, U.S. Dance Figure

NEW YORK - Louis Falco, 50, based on the Limon technique, that a choreographer and modern dance artist who founded a company and was celebrated for his energetic creations for films such as "Fame," died of AIDS on Friday in his

home here. After directing The Louis Falco Dance Company for 16 years, he disbanded it in 1983 to concentrate on choreographing, writing and di-recting for film and television, and creating ballets for other compa-

He was born in New York and raised on Manhattan's Lower East Side. He began dancing profes ally with the Charles Weidman Company while attending the High School of Performing Arts. He danced as a featured member of the

bia, with President Bill Clin-José Limón Dance Company from A spokesman said Friday 1960 to 1970, often opposite Mr. that the summit meeting Limón. would proceed as scheduled His appearances as a dancer inchided starring guest roles at La Scala in Milan and performances He did not say why the pro-vincial tour had been called

ny was launched in a highly suc-cessful first season in 1967. The

with Rudolf Nureyev on Broadway in Mr. Limon's "The Moor's Pa-. The Louis Falco Dance Compa-

co's company performed at such major festivals as Spoleto, Avignon, Jacob's Pillow, the American Dance Festival and the Holland Mr. Falco created more than two dozen works for his company and

presented movement as an exten-

sion of behavioral activity. Mr. Fal-

ballets for companies throughout the world, many of which were nev-er performed in the United States. He also choreographed videos for pop singers - Prince, the Care

and Ricky Skaggs. Gret Palacca, 91, one of Germa-

ny's best-known modern dancers and dance teachers, died Monday in Dresden. She began winning ac claim as a solo dancer in 1924. The Nazis closed her dance school and the Communist regime in Fast Germany nationalized her school in

The Venerable Oung Mean Candavarano, 66, who was Cambodia's third-highest-ranking Buddhist monk and became a religious and cultural leader of expatriates in America, died of a heart attack March 16 in Olney, Maryland.

CHINA: Deng Dictates 'Cool' as Economy Heats Up

Beijing said. "It's not a certainty, hut it's a concern." The boom is partly a result of a

wave of construction of office buildings, housing, hotels and high-

credit from local bank branches that the central government has found it difficult to control.

A survey of 114 Chinese econo-

newspapers printed front-page edito slow the pace.

The silencing of the pessimists may increase the risks of overbeat-

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

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RELIGIOUS SERVICES

REPLIN INTERNATIONAL AAPTIST CHURCH, SERLIN, Rothenburg str. 13, 1000 Berlin 41 (Slegiliz). Bible study 10.45, worship at 12.00 and 19.00 each Sunday. Charles A. Warford, Pastor. Tel.: 030-774-4670.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONNKOLN, Pheinau Strasse 9, Köln. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel.: (02236) 47021.

BREMEN

INTERNATIONAL BAPTIST C-UPCH (English lenguage) meets at Evengelish-Freikirchlich Kreuzgemeinde, Hohenloheetzesse Hermenn-Bose-Str. (eround the conter from the Bahnfof) sunday worship 17:00 Emest D. Walker, pastor. Tel. 04791-12677.

BUCHAREST

INTERNATIONAL BAPTIST CHURCH. Strada Popa Rusu 22, 3:00 p.m. Contact Bill Richardson, Tel. 010-91-61.

BUDAPEST

International Bactist Fellowship, Il Birribo u. 58 (main entrance Tapolcsenyi u. 7, immediately behind front entrance). 10:30 Bible study. 6:00 p.m. Joel Jenkins, pastor, Tel.: 1158759 &

Reached by bus 11. BULGARIA INTERNATIONAL SAPTIST CHURCH,

Sofie, Grand Nerodno Sobronie Squere. Wor-ship 11:00. Charles Currie, Pastor.

CELLE/HANNOVER INTERNATIONAL BAPTIST CHURCH, Frie-

denskirche, Riemannstr. 15, Celle, SS 1245, Worship 14:00, 30 min. Drive, 20 min. By train from Hannover. Walking distance from Celle Irain station. Contact Andy Earl.

DARMSTADT DARMSTADT/EBERSTADT BAPTIST MIS-

SION, Bible study & Worship Sunday 1030 a.m. Stadimission De-Berstadt, Bueschelstr. 22, pastor. Tel.:06187-91883 (pastor) & 06151-68702 (deacon). DÜSSELDORF

INTERNATIONAL BAPTIST CHURCH, Engish. s.s. 10:00, works at the International school, Leuchtenburger Kirchweg 2,D-Kal-serswerth. Friendly fellowship, All denominations welcome. Dr. W.J. Delay, Pastor.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOW-SHIP Evengelisch-Freikrichliche Gemeinde, Sodenerstr. 11-18, 6980 Bad Hornburg, phone: 06134-23278 or 06196-643350 serving the Frankfurt and Tourius areas, Germany. Sunday worship 09:45, nursary + Sunda school 10:00, women's circle - Friday 08:30. Housegroups - Sunday + Wednesday 19:30. Pastor M. Levey, member European Beptist Convention. "Declare His glory amongst the

BETHEL INTERNATIONAL BAPTIST MUNICH: (49) 821-47-2488. CHURCH, Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel.: 099-549559. NETHERLANDS: (073) 408208. PARES: (33) 1-42-77-9677.

HAMBURG

INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FESTHAL-LE Am Islaid 19, Hamburg-Caldott Bible Stu-dy at 1130 & Worship at 1230 each Sunday. Tel: 040820618.

HOLLAND

TRINITY BAPTIST S.S. 930, Worship 10:30, nursery, warm fellowship. Meets at Bloomcamplaan 54 in Wassenaar. Tel. 01751-78024.

KRAKOW INTERNATIONAL BAPTIST FELLOWSHIP. ul. Wyspiensiego 4. First Sunday each mon-th. 8:00 p.m. Gustaw Clesler, coordinator. Tel: 33 23 05 + 66 49 32.

MUNICH

INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzstr. 9 English Language Ser-vices. Bible study 16:00. Worship Service 17:00. Pastor's prione: 6008334. PARIS and SUBURBS EMMANUEL BAPTIST CHURCH, 58 Rue

Thomas, pastor. Call 47.49.15.29 for information. NTERNATIONAL BAPTIST FELLOWSHIP. 6:30 p.m., 123 av. du Maine. Mo Galfé. Near the Tour Montparnessa. The evening service of Emmanuel Raptist Church. Call 47.5129.83 or 47.49.15.29.

PRAGUE International Baptist Fellowship meets at the Czech Baptist Church Vinohradska # 68, Prague 3. At metro stop Jirihoz Podebrad Sunday a.m. 11:00 Pasters Bab Feel

WUPPERTAL

International Baptist Church. English, Ger-man, Passian. Worship 10:30 a.m., Selerstr. 21, Wupperlat - Elberfeld. All denominations welcome. Hans-Dieter Fraund, pastor. Tel: 0202/4698384.

ZURICH INTERNATIONAL BAPTIST CHURCH of Wadenswi (Zinch), Switzenend, Rosenbergstrasse 4. Worship Services Sunda

mornings 11:00. Tel: 1-7002812. EUROPEAN

UNITARIAN UNIVERSALISTS UNITARIAN UNIVERSALIST fallowship & contacts in Europe include: BARCELONA: Aptartado de Correos 27305, 08080 Barcelona, Spain, Tel.: (03) 3149154.

INTUSSELS: Tel.: (02) 8800226. FRANKFURT/MESBADEN: (0811) 719461. GENEVA/BERN: (022) 7741596. HEIDELBERG: (49) 6222-7 3718 or (49)

ZURICH INTERNATIONAL PROTESTANT CHURCH English speaking, workship service, Sunday School & Nursery, Sundays 11:30 e.m., Schanzengasse 25. Tel.: (01) 2625525.

right to determine the final wording of questions in a referendum.

In theory, early elections should ead to the creation of a more representative legislature than the present Congress, which was elected in ASSOC. OF INT'L CHURCHES

BERLIN AMERICAN CHURCH IN BERLIN, cor. of Clay Allos & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

IN EUROPE & MIDEAST

crime, Last weekend, Mr. Rutskoi

refused to sign a presidential decree declaring a five-week period of "special rule" leading up to the referendum as a result of which he

was branded a "traitor" by the

mise. In two or three weeks, it will

all hlow up again," said Nikolai

Travkin, the leader of the centrist

Democratic Party and a prominent critic of Mr. Yeltsin. "Early elec-

tions are one possible way out of

the crisis, but there is no guarantee

that they will change things for the

A draft resolution that is likely to

be submitted to the Congress on

Saturday proposes elections for

"This is not a stable compro-

Yeltsin camp.

BRUSSELS THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School 9.30 a.m. and Church 10:45 a.m. Kallanberg, 19 (at the Int. School). Tel.: 673.05.81.

COPENHAGEN INTERNATIONAL CHUPCH of Copenhagen, 27 Farvergade, Vartov, near Rådhus, Sludy 10:15 & Worship 11:30, Jack Huslad, Pastor.

FRANKFURT

TRINITY LUTHERAN CHURCH Albeitmen Vise 54 (U-Bahn 5), Sunday School 9:30, vorship 11 a.m. Tel.: (069) 599478. GENEVA

EV. LUTHERAN CHURCH of Geneva, 20 rue Verdeine. Sunday worship 9:30. In Ger-man 11:00 in English, Tet (022) 310.50.89. LONDON

AMERICAN CHURCH in London at 79 Totterinam Court Pload, London WI, SS at 9:45 a.m. ā. worship at 11a.m. Goodge street tube; Tel: (01) 5802791.

INTERNATIONAL, COMMUNITY CHURICH services at Rydens School, Hershem, Surrey. Sunday School at 10:00 a.m. and worship at 11:00 a.m. Active youth program. Tel.: (0832) MOSCOW MOSCOW PRICTESTANT CHAPLAINCY, UPDK Hell, UL. Ulola Pelme 6, bldg. 2. Wor-ship 9 + 11 a.m. S.S. Tel.: 143-3582.

OSLO American Lutheran Church, Fritznersgt. 15 Worship & Sunday School 11 a.m. Tel: (02)44.35.84.

AMERICAN CHURCH IN PARIS. Worship 11:00 g.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Mairo Aima-Marcagu or Invalidas. STOCKHOLM

MMANUEL CHURCH, Worship Christ in Swedish, English, or Koreen. 11:00 a.m. Sunday. Birger Janeg. at Kungstensg. 17, 48/08/ 15 12 25 x 727 for more

VIENNA COMMUNITY CHUPCH, Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denomina-tions welcome. Dorotheagassa 16, Vianna 1. WARSAW WARSAW INTERNATIONAL CHURCH. Protestant English language expetriates, Sundays 11:00 a.m. (June-Aug.); Sunday School 9:55 (Sept-May) UL. Micdows 21. Tel: 43-29-70.

UNIVERSITY DEGREE BACHELORS - MASTERS - DOCTORATE For Work, Life and Academi (310) 471-0306 FAX: (310) 471-6456 Call or write for lefore

Pacific Western University 600 N Sepulveda Bivd Dept 23 Los Angeles, CA 90049

(Continued from page 1) ment in fixed assets by 64 percent and may lead to inflation." Official worried about the economy overover the same period last year. The boom is also fueled by loose torials against overheating, and the redit from local bank branches leadership signaled that it planned heating," an Asian diplomat in

mists, widely reported in the Ching, but there are still a considerways around the country. In the nese press in January, found they shile number of economists, foreign first two months of 1993, state- believed 2-to-1 that the economy as well as local, who believe China owned companies increased invest- "is beginning to grow too quickly will manage a "soft landing."

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FIRST 100 DAYS / WAVERING DEMOCRATS

Clinton Backpedals on Qay-Soldier Duties

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Line

WASHINGTON — Facing open criticism from allies inside and outside the government, the White House is seeking to erase the impression that President Bill Clinton would consider separating troops by sexual orientation.

Mr. Clinton said his assertion during a news conference this week that he would not rule out restrictions on the deployment of homosexnal soldiers did not represent a change of heart. He and his aides said he was merely keeping an open mind in anticipation of a Pentagon report recommending how best to carry out his pledge to allow homosexpals to serve.

But Mr. Clinton had never before publicly entertained the idea, and his comments at the news conference took some of his colleagues and advisers by surprise.

Bob Hattoy, a White House aide who gained national attention when Mr. Clinton selected him for a prime-time speech on AIDS at the Democratic National Convention, said that he "almost started crying" when he heard Mr. Chinton's remarks.

Mr. Hattoy likened the notion of limited duty assignments for gay ervice members to "restricting gays and lesbians to jobs as florists and hairdressers" in civilian life.

Mr. Clinton defended his remarks in a later televised interview, saying that he would oppose any military proposals that were discriminatory but said he would review whatever suggestions the

Homosexual rights advocates who have advised the White House have condemned the president's comments, saying they fear Mr. Clinton is softening his campaign pledge to lift the ban on homosexuals in the military in the face of suff opposition from the armed

Even senior Pentagon officials, including an army general reviewing the military's policies toward homosexuals, say separating homosexual and heterosexual troops in the field would be impractical and would burt morale. Separating homosexnal and heterosexual troops by duty or by battalion or in any other way would require first determine

sexual orientation of troops, which would violate the principles of the policy that Mr. Clinton is trying to establish.

A key element of that policy is to stop asking recruits and other. members of the armed services about their sexual orientation. Such action could heighten the fear of penalty for acknowledging homo-sexuality, a fear that Mr. Clinton says he is trying to erase. (NYT)

Taxpayers Find Bush Campaign Gift Costly

WASHINGTON — Call it George Bush's April surprise.

Kathleen Callahan, a hospital therapist, planned to leave for Plotida on a vacation she expected would be financed in part by her

federal income tax refund. But this week she got unsettling news. Rather than getting money back, Ms. Callahan figured out that she owes the Internal Revenue Service about \$350. Now she can't afford to spend as much on her.

Ms. Callahan is one of millions of taxpayers finding themselves without anticipated refunds or owing hundreds more than expected in federal taxes as a result of a change in withholding last year.

That was when President Bush—facing a re-election campaign—announced that the Internal Revenue Service would recalculate the tax withholding tables to put more money into workers' paychecks.

The increase, which averaged about \$6.60 per week for a married taxpayer, was supposed to help stimulate the economy. But less tax withheld over the course of the year means more tax due by the IRS deadline, April 15. Although workers could have countered the change by fiting new withholding statements, many didn't.

Bush Official Intervened in Hell Bush Case

WASHINGTON - A top White House official during the Bush administration intervened in a government investigation of Neil Bush, the president's son, according to L. William Scidman, former chairman of the Federal Deposit Insurance Corporation.

"Here was a neat little story for some investigative reporter, and I could even write the headline; White House Tries to Influence Neil Bush Case, "Mr. Seidman writes in a forthcoming book, "Pull Faith and Credit: The Great S&L Debacke and Other Washington Sagas,"

to be published by Times Books. Neil Bush was investigated by the Office of Thrift Supervision on charges of conflict of interest stemming from his role as a director of the Denver-based Silverado Banking, Savings and Loan Association. Mr. Scidman wrote that in late 1990, Alfred J.T. Byrne, the insurance corporation's general counsel, came to his office and said the White House counsel, C. Boyden Gray, "has a question about the Neil Bush matter." At the time of the investigation, Neil Bush was also facing a \$200 million lawsuit filed by the insurance corporation

against him and the other Silverado directors.

"Boyden wanted to know if there was any legal process to move the Neil Bush case out of the administrative process and into a federal court," Mr. Seidman wrote. "I told him it was a matter to stay out of, a loser, and none of our business."

Mr. Byrne disregarded the advice, "On Jan. 2, my first day back in the office after the holidays, Tim Ryan informed me that Al had called him about Neil Bush, and the possible change of venue," Mr. Seidman wrote. Mr. Ryan was the director of the Office of Thrift

Supervision.

Mr. Ryan referred the matter to the Treasury Department's inspector general, according to Mr. Scidman, who added in a telephone interview Thursday from Milwaukee that subsequently Mr. Byrne "was reprimanded by our board, on the recommendation of the Treasury's inspector general, and lost his bonus and salary increase." Mr. Scidman categorized that punishment as a "rap across that leave the "respector general" of the second seco

The Justice Department also investigated, he wrote, and "decided it had insufficient evidence to prosecute."

Mr. Seidman said there was no evidence that Mr. Gray had acted on President Bush's behalf.

Quote/Unquote

Ed Rollins, a Republican strategist, on what he has been telling political focs of President Clinton's: "Just hold his coat. He won and he's got sufficient votes in Congress to do whatever he wants. Wish him well for the good of the country. And the moment he falters, be prepared to put the kick in his side on the way down."

Away From Politics

• A guaman walking along a rural highway in Washington state fired on motorists, a jogger and people outside their homes, killing one person and wounding at least seven before he was shot by police officers. Ricky Thorp, 30, of Bonney Lake, Washington, was arrested for investigation of murder, and was hospitalized in critical condi-

 Scientists have developed an artificial enzyme that in test-tube studies reduces the addictive effect of cocaine. Some experts say the development could eventually lead to a new weapon to treat cocaine abuse. Researchers at Columbia University in New York said initial tests indicated that the enzyme seeks out and binds to the cocaine molecule and then breaks it into two inert byproducts.

• A repair man standing on the hand of a giant clock atop an eight-story building in Pittsburgh was rescued after dangling from his belt for about 20 minutes when the hand broke. Otto Tamplin, 30, was repairing neon lights on the clock when one of the hands, which had been set at 3:15 to create a horizontal platform, broke. General Dynamics Corp. ordered an investigation into why another unmanned Atlas rocket malfunctioned soon after liftoff from Cape Canaveral, Florida, this time leaving a navy communications satel-

lite in a uscless orbit. • A man described as a religious fanatic sprinted past a small army of heavily armed officers and into the compound of the Branch Davidian cult near Waco, Texas, the FBI said. Louis Anthony Alaniz, 24, of Houston, knocked on the front door and was let inside by cult

The Justice Department sued a Chicago suburb alleging that it discriminated against Hispanics by tightening restrictions on how many people can occupy a house. The suit alleges that the town of many people can occupy a noise the son angle can the town of Cicero, which borders on a heavily Hispanic section of Chicago, adopted a stricter occupancy law in order to discourage an influx of

Hispanic families. • The Christian Science Church will discontinue its monthly news • The Christian Science Church was ussue. Other parts of the magazine, World Monitor, with the May issue. Other parts of the church's media operations, including the Christian Science Monitor. church's media operations, including the church's media operative, and an international shortwave radio network, will remain operative.

UPI. AP. NYT, LAT



Mr. Clinton at play Friday as the University of Alabama's championship football team visited.

Murdoch Bids for N.Y. Post

Magnate Offers to Buy Newspaper He Ran for 12 Years

By Martin Gottlieb

NEW YORK - Rupert Murdoch has formally offered to buy the bankrupt New York Post again, saying he would operate the cashstarved newspaper for at least 60 days while he tried to win necessary federal approval.

Mr. Murdoch ran The Post for a dozen years, but was forced to sell it in 1988 after he bought a New York television station and became subject to a federal regulation pro-hibiting an owner to hold a newspaper and broadcast station in the

His new offer for the paper, made by a lawyer for Mr. Mur-doch's News Corp., occurred at an extraordinary hearing conducted ruptcy judge in which the paper's managing agent, Abraham Hirsch-feld, said he would not contribute any more money to the paper. Lawyers representing The Post,

its creditors and its management employees warned at the hearing Thursday that the paper was in disarray and could collapse be-cause, they charged, Mr. Hirschfeld had refused to pay withholding taxes and pension obligations, some leases on delivery trucks and bills for security and cleaning

Saying that even The Post's deliveries of daily newspapers would be cut off Friday if something was not done, Robert Miller, a lawyer for a group of nonunion manage-ment employees, told the judge that "without Mr. Murdoch coming in or some other manner of extraordipary relief, The Post will be dead in a matter of days."

Judge Francis G. Conrad told Mr. Murdoch's representatives to return with a written proposal Monday and ordered the appointment of an examiner to go through the claims and counterclaims emanating from Mr. Hirschfeld and from Post employees who are in open rebellion against him. He also designated the paper's comptroller, Steve Bumbaca, to write the checks necessary to keep The Post functioning, drawing on the newspa-per's rapidly dwindling reserves. It was this last ruling that caused Mr. Hirschfeld to say, "If your

Farrow Details Allegations of Abuses by Allen

NEW YORK — Mia Farrow has detailed Woody Allen's alleged molestation of their daughter Dytan, 7, saying she told her Mr. Allen "touched her in certain places." Ms. Farrow also charged that Mr. Allen began his affair with her older adopted daughter, Soon-Yi Previn, when she was in high

school, not in college as he said. In her first public comments on the abuse charges, Ms. Farrow on Thursday quoted Dylan as saying Mr. Allen had asked if she wanted some "father-daughter time" dur-ing a visit Aug. 4 at the actress's

Connecticut home.

"She said he took her into the attic and that he touched her in certain places," including the vaginal area, the actress testified. At another point, Ms. Farrow testified that Dylan said "she wanted a real daddy, not a boyfriend daddy."

Mr. Allen, 57, and Ms. Farrow, 48, his companion and leading lady of 12 years, are fighting for custody of Dylan and Moses, 15, both adopted, and their own son, Satch-el. 2.

honor wants Mr. Bumbaca to dis- one of its most outrageous, was turb my money, I would rather withdraw from The Post." New York Times Service

"My money he cannot play with," Mr. Hirschfeld added. "Mr. Bumbaca is not qualified to distribute money. Mr. Bumbaca is an ac-

The hearing was requested by lawyers for The Post's creditors and the paper itself, who said they were alarmed that essential payments were not being made and

close to collapse. Arthur Suskind, general counsel

to Mr. Murdoch's multibillion-dollar News Corp., gave outlines of what Mr. Murdoch proposed to do to save the paper that he had made known for controversy and zani-

Mr. Murdoch still owns the TV station and would need a waiver from the Federal Communications Commission, which several influments were not being made and ential members of Congress who that the paper, America's oldest opposed his cross-ownership in continuously published daily and 1988 said they would now support.

A New Selling Job for Clinton Doubters in His Party Try to Delay Jobs Bill

Compiled by Our Staff From Dispatches WASHINGTON - A Senate leader chided conservative members of his own Democratic Party on Friday for trying to delay parts of President Bill Clinton's \$16.3 billion job-creation and economic

stimulus package.
"I am startled, I am amazed and chagrined," said Senator Robert C. Byrd of West Virginia, chairman of the Appropriations Committee, as lawmakers debated the measure. people for you to call." "Why can't we as Democrats sup-

On Thursday, majority Democrats banded together almost seam-lessly to rush the outlines of Mr. Clinton's deficit-reduction plan through the Senate. The vote was 54 to 45, with none of the chamber's 43 Republicans supporting

But immediately after the vote, the Senate became embroiled in a major debate over the short-term stimulus package, which encountered strong resistance from conservative Democrats and Republicans, who have a better chance of scaling it back than their House counterparts did.

Senator George J. Mitcbell.

Democrat of Maine, the majority leader, called on Mr. Clinton to lobby for the stimulus program among wavering senators in his own party before a showdown vote that is expected next week.

"There's no rest for the weary," Mr. Mitchell told Mr. Clinton after receiving a congratulatory telephone call from the White House following the Senate's adoption of the budget bill. "I'll have a list of

Mr. Clinton's allies said the stimulus package was needed to create jobs this year and provide an insurance policy against a faltering re-

Critics said the funds, labeled as emergency expenditures, would add to the deficit without providing sufficient stimulus. Some Republi cans, while saying that they did not want to filibuster against the mea-sure, indicated they would prolong the debate on the Clinton request. Conservative Democrats warned that they should not be ignored.

In contrast, Democrats displayed near-unanimity earlier Thursday as the Senate voted to approve the outlines of Mr. Clinton's half-trillion dollar plan to

shrink budget deficits and encourage long-term economic growth. The House approved a similar

measure a week ago, and negotiators from the two chambers hope to complete a compromise version next week. Capitalizing on strong public support for the new president, the

Senate vote came just 36 days after Mr. Clinton unveiled his proposal. It was the earliest the Senate has approved a spending blueprint since the current budget law was enacted in 1974. "This is really a historic mo-

ment," Mr. Clinton said in a congramlatory telephone call to Senate eaders. "Finally we've done something to break the gridlock and to bring the deficit down and to create new jobs through investment." The measure mapped out

enough tax increases and spending cuts to pare \$502 billion from federal deficits over the next five years. At the same time, the plan envi-

sions spending more than \$100 billion on research laboratories, water purification plants and scores of other projects.

(AP, LAT)

Blast Looks Less Like Foreign Plot

By Ralph Blumenthal

New York Times Service
NEW YORK — Federal authorities say they believe they have captured or identified the core group of Arab militants who carried out the bombing of the World Trade Center.

More and more, a leading law enforcement official said, the bombing is seen as an act by illtrained New York-area plotters operating independently and without direct orders from a foreign government or international terrorist network.

Officials said they still faced months of investi-

gation before the full scope and motive of the Feb. 26 attack was exposed. But as they stepped up a search for a sixth suspect, they privately suggested that some of the most important questions were yielding answers. One of the five suspects that have been arrested

was tied for the first time to the discovery of a "timing mechanism" that the government suggested may have been used with the bomb that blew up in an underground garage of the twin tower com-plex in lower Manhattan, killing six people and mjuring more than 1,000. Investigators also said that the bomb, originally thought to have been made with sulfuric and nitric acids and urea, now appears to have had an impor-

tant extra ingredient: compressed hydrogen gas, which intensified the explosion and created a de-

structive fireball. Pieces of steel cylinders, similar

to those delivered to the storage shed, have been

found in the rubble of the trade center garage.

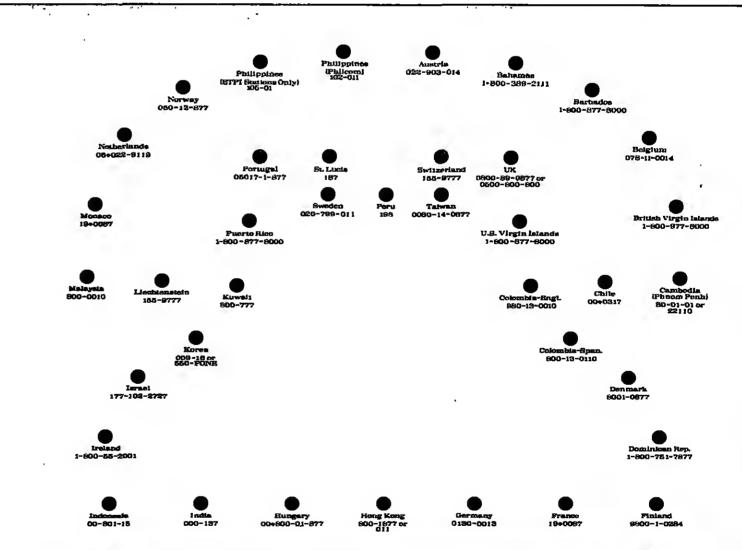
Those charged are Mohammed A. Salameh, 25;
Mahmud Abohalima, 33; Bilal Alkaisi, 27; Nidal A. Ayyad, 25; and Ibrahim A. Elgabrowny, 42. They pleaded not guilty to the charges at a U.S. courthouse in New York on Thursday, and in some cases defiantly proclaimed their innocence. All were held without bail.

A New Jersey law enforcement official said the anthorities were seeking a sixth man who was not identified but who was known to have been in a car accident in Woodbridge, New Jersey, on Jan. 24 with Mr. Salameh. Mr. Salameh, the first suspect arrested, is a

of renting the van that carried the bomb and leasing a storage locker where explosive chemicals Other law enforcement officials said the return from Egypt on Wednesday of Mr. Abohalima appeared to have encouraged the surrender a few hours later of the fifth suspect, Mr. Alkaisi, and

Palestinian-born illegal immigrant. He is accused

they said they hoped that the sixth suspect would turn himself in, too. Investigators said they were hopeful, too, that Mr. Abohalima or another of the suspects may agree to cooperate in return for possible leniency. But they said Mr. Abohalima had refused to talk with the four federal and police agents who accompanied him from Egypt.



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Herald Tribune.

The Lies on El Salvador

Reagan and Bush administrations appear to have suppressed or ignored damning evidence of Salvadoran military complicity in acrocities. Instead, anxious to avoid any cutoff of U.S. aid during El Salvador's 12year civil war, officials kept assuring Congress that things were getting better.

In fairness, the inquiry should begin in 1980, since dissimulation began under President Jimmy Carter. It should address not only official attempts to dupe Congress but efforts to discourage investigation by news organizations. And it should examine why officials acted the way they did.

A UN Truth Commission recently reported that the Salvadoran Army and security forces committed the worst abuses. Documents obtained later show that senior U.S. officials knew more than Congress or the public was told about such crimes, including the murder of six Jesuit priests in 1989 and the massacre eight years earlier of civilians at El Mozote.

A courageous U.S. ambassador, Robert White, found deaf ears in Washington in 1980 and 1981 when he cabled unwelcome news about the murder of Archbishop Oscar Arnulfo Romero and of four American cburchwomen. Fearful of seeming soft on communism, the Carter administration nevertheless opened the spigot on what became a \$7 billion aid program.

The Reagan era's contortions were far worse. Early on, Secretary of State Al Haig informed Congress that the women may have crashed a roadblock. Jeane Kirkpatrick, the UN envoy, suggested they were guerrilla sympathizers. Years too late.

mo util

Secretary of State Warren Christopher is right to order a full inquiry into what looks like deliberate concealment of human rights crimes in El Salvador. Senior officials in the Mozote massacre, he says, "I now know that the materials we and the embassy passed on to the Congress were wrong."

Even so, Mr. Enders defends the policy, which one of his successors. Elliott Abrams, mindlessly describes as a "fabulous achievement." To Mr. Abrams, the end was what mattered: Victory was denied to guer-rillas in El Salvador, which in turn provided bases for CIA airdrops to contra rebels.

Rights groups and a few members of Congress spoke out for El Salvador's victims. Some U.S. news organizations tried to spotlight the most serious abuses, but coverage was intermittent and at times timid.

The ideological climate was partly responsible. The Reaganites drew a convenient distinction between "anthoritarian" and "totalitarian" tyrannies. The most dangerous were leftist totalitarian regimes like the Soviet Union. Rightist tyrannies were less threatening and were capable of improvement; criticizing their imperfections would only undermine them. As Mrs. Kirkpatrick wrote in a famous essay, "The history of this century provides no grounds for believing that radical totalitarian regimes will transform themselves."

Embracing this distinction as immutable, senior officials fell too readily into an anything-goes mentality. Dissenters had no role in policy; deception could be excused as preventing a Communist victory. But of course the theory was fallible, and "totalitarianism" changed from within. How refreshing if someone responsible for policy admitted as much and expressed regret for the towering human cost of El Salvador's war.

-THE NEW YORK TIMES.

Don't Backtrack on Gays

We think too much was read into Presi- restate his case for signing the executive dent Bill Clinton's news conference comments concerning the possibility of restricting the jobs homosexuals may perform in the military. His remarks did not seem to us to propose or endorse anything of the sort.

The question that elicited the president's remarks had to do with whether be was troubled by Senator Sam Nunn's suggestion that a compromise limiting the military assignment of homosexuals could be unconstitutional. Mr. Clinton noted that since the courts have historically given the mili-tary wide berth in upholding the ban, they may uphold restrictions on duty assignments once homosexuals are in -a theoretical answer to a speculative question.

As to his own position, Mr. Clinton said he would hold off on any decisions until midsummer, when Defense Secretary Les Aspin's report on lifting the ban is due. He did not rule out anything. That is an impor-tant caveat, but it did not support the

weight of all the interpretation piled on it.
The president could have made better use of the moment by seizing the opportunity to

order this summer. It is one thing for the president to overlook the petty insults from military subordinates who oppose his plan. Showing sensitivity and a degree of deference to the depth of their feelings is not to give ground on the basic proposition. It could even increase their willingness to comply with the inevitable. If, however, Mr. Clinton's reticence is raising hope that be can be forced to retreat, then he may be bringing on a more serious problem for his leadership on defense matters.

Difficult as it is, this is an issue on which the president, and not his subordinates, calls the shots. He owes no apology to the armed forces for deciding to lift the ban. The burdens and benefits of military service should fall equally on all who serve without discrimination based on status. That is not a gift to be bestowed upon homosexuals. Neither is it punishment of those who would exclude gays and lesbians from service. Treating them as full-fledged members of the military is the right thing to do.

- THE WASHINGTON POST.

Touching the Third Rail

The U.S. Senate cast what may turn out time. The giant program has been called the have been a historic vote this week. It third rail of American politics, which is why to have been a historic vote this week. It was not the final vote on the budget resolution incorporating President Bill Clinton's economic plan, welcome though that was, but one that preceded it. By a 52 to 47 vote, the Senate agreed to the economic equivalent of a Social Security benefit cut for the better-off, which is to be achieved by subjecting a larger share of Social Secu-

rity benefits to the income tax. A similar first such step was approved by Congress in 1983, but that was different. The proposal then was homogenized until it bore no party label, nor the particular imprint of either the president or the Congress. Rather, it was put to the two elected branches by a bipartisan commission carefully chosen to represent no particular interest group, and was embedded in a plan whose stated purpose was to strengthen the finances of Social Security itself, not those of the general government at what might be called Social Security's expense.

A vote then could be characterized as a vote in favor of Social Security; not so this

the politicians kept one remove from it even during the supposed emergency of 1983, and why the program has been put "off budget" and nominally beyond the reach of the budget cutters even though it accounts for one-fifth of all government spending.

What happened this time is that the insulation was set aside, the rail was touched and nothing happened. President Clinton took the responsibility of proposing on his own a cut in the program's cost for the common good. The Senate Democrats upbeld the proposal against a double attack by Republicans who deploted it - who could say which was worse? - as both an assault on Social Security and a tax increase. Congress still has to enact the legislation: the budget resolution is just an expression of intent. Maybe the elderly will yet be heard from. But this was an important step toward the dispelling of political myth and toward rational politics. The people who took it deserve great credit.

-THE WASHINGTON POST.

Phony Campaign Reform

vide some kind of political reform, and be Democrats will simply take the money in a has — phony reform. Here is the plan as it different from by doubling the total amount stands: Double the amount of money the richest Americans can give to support federal campaigns; don't fight the House on political action committees; allow corporations, unions and the wealthy to make unlimited

gifts to build party headquarters.

The formal plan may not be ready for a few weeks, so Mr. Clinton may still get religion. But the draft provisions depict a rush to compromise. This plan, shaped by congressional greed and the Democratic National Committee, is a formula for legalized influence peddling.

Mr. Clinton's sole claim to virtue is staying

true to his commitment to close the "soft money" loophole that allows special interests to dodge limits on giving to candidates by making huge contributions to the political parties. But the president's handpicked Democratic charman, David Wilhelm, has come up with a blatant dodge to make up for

President Bill Clinton said he would pro- cash lost to show-window scruples. The that an individual can give in a year.

An individual can now give \$25,000 a year to federal campaigns and political parties. Under the new plan, individuals can give an additional \$25,000. For influence-buyers, this will be the loophole of the decade.

Mr. Clinton is also crabbing away from his pledge to loosen the grip of political action committees on Congress by reducing from \$5,000 to \$1,000 the amount that such committees can contribute to an individual candidate - the same limit that applies to individual donors. Instead, Mr. Clinton has moved up to \$2,500 as a compromise.

Why bow to the PAC-addicts among congressional Democrats? Mr. Clinton ought to close the soft-money system without opening the spigots of PAC and fat-cat donations. Instead, be seems to be drafting a mainte-

nance plan for political backs. THE NEW YORK TIMES.

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The Lone Nuclear Cop Needs a New Lever

WASHINGTON — In the old days of the Cold War when Washington and Moscow policed the global nuclear beat, their lever was the Nuclear Nonproliferation Treaty, now 25 years old. It offered protection by the nuclear haves in return for abstinence by the nuclear have-nots — a pretty good bargain all around.

Just four countries, India, Pakistan, Israel and

- now we learn - South Africa, actually acquired weapons or the makings of them in that time, and they kept them more or less under wraps. It is only now, as rogue regimes like Iraq and North Korea and place- and power-seekers like Ukraine and countries in between like Iran tug on the leash, that we begin to ask whether there is something to put in the treaty's place.

The Soviet-American great-power arms con-trol conspiracy is no more, and the United States is not of a mind or in a position to enforce this fateful tradeoff on its own. True, the United States and other haves for-

mally pledged in the Nonproliferation Treaty to assist any have not finding itself "a victim of an act of aggression or an object of a threat of aggression in which nuclear weapons are used."
But this "guarantee" has faded. The presumed antomaticity of Cold War deterrence is more a historical memory than a current reality. The protective patronage of the nuclear haves has been eroded globally by the demise of Soviet power and in the United States by a quarterBy Stephen S. Rosenfeld

century's bruising encounters between events in the world and politics at home.

Look at the cautious American response in crises, as in Yugoslavia, far below a nuclear threshold. Ask yourself what chain of circumstances could now induce Washington to deliver on its treaty guarantee to a nuclear-threatened third party. I am aware that it is considered had form to speak publicly of the watering down of deterrence. But there is no ignoring that the premiseof the old nuclear guarantees - sure esponse — is not what it was 25 years ago.

Certainly Ukraine, which lives uneasily in the nuclear shadow of rival Russia, cannot ignore this change. Rightly impatient to lock the former Soviet lands into strategie arms controls, the United States seeks Ukraine's early endorsement of nuclear abstinence. But Ukraine sees its physical possession of leftover Soviet missiles as its ultimate bargaming chip to ensure its territorial integrity and relief from military, political and economic pressures. For yielding those missiles, Ukraine envisages — in a rolling sequence — a statement from membership in and integration into European and Western structures like NATO.

Americans must make the difficult case that Ukraine will be more secure as a nuclear havenot than as a potential have. Ukrainians must

make sure that by carcless bargaining — asking too much too soon — they do not lose international understanding for their pursuit of legiti-mate national objectives. The dialogue, as far as one can tell, is still in its early stages. **Even Worse**

In Bosnia,

And Soon

By Anthony Lewis

BOSTON — The tragedy in Bos-

human disaster in Europe since the

crimes of the Nazis. It is going to get

The last Muslim enclaves in castern

Bosnia cannot hold out against Serbi-

an attacks more than two or three more weeks, according to UN officials

there. If and when the Serbs overrun

them, 60,000 desperate civilians will

them, 60,000 desperate civilians will rry to find some way out through the mountains to join the already more than one million refugees.

And then there will be Sarajes the besieged capital. Serbian gunda, have intensified their shelling of the city in recent days, on Sunday, UN observers counsed 2,398 shells. The

Serbs may now be in a position to

capture the suburb of Stup, from which they could rake much of the

Military experts believe the Serbs'

intention is not to make a ground

attack on Sarajero but to keep shell-ing the city until its will collapses and the people flee. That will be around 350,000 more refugees.

The Serbian aggressors have become increasingly cynical in their cruelty, increasingly contemptations of all those trying to stop the fighting. This week Serbian military leaders agave their soleum assurance that they would maintain a cease-fire to let UN

helicopters take sick and wounded

civilians out of the town of Srebenica.

As the helicopters prepared to take off, the Serbs shelled them.

The president of Serbia, Slobodan · Milosevic, has discarded the presense ·

that his army, the old Yugoslav Army, has nothing to do with the attacks by

Bosnian Serb militias. Yugoslav Army units have blocked UN relief convoys,

openly ferried troops into Bosnia and

fired into Muslim areas from across the border. Yugoslav planes have

What answer does the world have to such brutality, cynicism and contempt for international order? None.

And the president of the United

States? He does nothing except order

food dropped to the victims so they can stay alive a little longer until the

ageressors overrun them.
President Bill Chinton's weakness

no doubt reflects the views of the joint chiefs of staff. General Colin

Powell and his colleagues have all along resisted any U.S. military in-

volvement in the Yugoslav conflict as

too risky. But even in terms of their

corrent doctrine of doing nothing

without overwhelming superiority, they have exapperated the risk. Serbian soldiers are not the brave

Partisans of World War II; they are

cowards who lob shells into cities from

protected positions. The difficulty of

the termin matters much less with the

development of high-tech weapons.

Experts on the ground believe that a

short sharp Western interventio

not send troops to enforce any politi-

cal agreement unless the parties plainly mean to abide by it. That

statement removes whatever chance

remained that the peace plan pro-posed by Cyrus Vance and Lord Owen would be taken seriously. Serbian leaders have never taken it

seriously anyway. As the negotiations go on, they gobble up territory that the Vance-Owen when seriously that

the Vance-Owen plan assigns to the Muslims. When they have seized all

they want, perhaps they will gra-

ciously agree to a cease-fire.

Mr. Chinton has other reasons for

doing nothing. Britain and France oppose any military action, because

diers who are acting as escorts for UN relief efforts. Boris Yeltsin would

be embarrassed because of historic

There is some truth in those arguments. But they cannot obscure the reality. Mr. Clinton failed to take the

bold action that would have made a

difference. Now he has all but washed

In the long run, the nice arguments

will not carry much weight against the horror of what will have hap-pened in Bosnia. Bill Clinton will join

his hands of the Bosnian tragedy.

Russian ties to Serbia.

the Serbs might then attack their sol-

bombed Muslim villag

city with tank and artillery fire.

a lot worse soon.

Each would-be nuclear country's situation is different, but the case of Ukraine points up what must be the common core of efforts to restrict the nuclear elnb: to bring anxious applicants into the comforting yet confining web of a broad political framework. The old guarantees, imposed from above and accepted below for want of an alterna-

tive, cannot be counted on to do the job. Granted, North Korea, Iraq and Iran show in their ways the limits of dialogue. They are run by despotic and highly suspicious regimes and live off the tensions of defiance. Short of a change of

gime extreme vigilance is the word.

The United States must also review its own The United States must also review its own policy. At the moment it has moved halfway from steps taken to stabilize relations with a disciplined fellow superpower to steps that will make it more effective as an advocate, model and force for limiting jumpy others. It is time for a new dispensation. Part of it will engage America on the side of restraint and self-demial to show that it does not claim a unique moder liveness. that it does not claim a unique nuclear license. Another part, not necessarily inconsistent with the first, must involve America on the side of assertiveness to face up to the thugs.

The Washington Post.

For Real Victory, Yeltsin Needs Control of the Ruble

By Jim Hoagland

WASHINGTON - Boris Yeltsin has gained no more than a reprieve from his foes in the Russian congress. To win a decisive victory he must now win control over the commodity that is at the root of the struggle: the Russian ruble. Money is power, it is said in West-

ern societies. But in the post-Com-munist world of Eastern Europe and the former Soviet Union, power is money. In the absence of functioning markets, political authorities determine money's value and availability. The supply of currency is determined by the demand of politics.

That has again been the case in Russia since August. Through parlia-mentary maneuvers, Mr. Yeltsin effectively lost control of the central bank to the congress, which is sensitive to the needs of the vast military-industri-al complex. Just as the Politburo once did, the congress now orders enough rubles to meet the payrolls in the vast state industrial empire.
This has brought Russia to the

edge of hyperinflation, destabilized Mr. Yeltsin's economic reforms and undermined the president's authority. That is why the Russian president cannot simply sit still and wait for the congress to see reason. He must move toward a showdown over control of the national currency if the congress persists in its neo-Marxist policies.

These policies of providing rubles

on demand make the institution of the congress a mortal enemy of reform.
The congress is a destabilizing force.
That makes compromise between
the congress and Mr. Yellsin exceed-

ingly difficult and, in fact, undesirable. made in backing away from an impeachment shootout this week should not be mistaken for compromise. Neither camp has holstered its guns.

Only a year separates the Communist Party-negged election of the con-gress in 1990 from the June 1991, free and fair election of Mr. Yeltsin as president. But the mandates of the congress and Mr. Yeltsin come from different political eras. The congress and the constitution it manipulates at will were conceived in the Brezhnev era. Mr. Yeltsin's victory came at the crest of the wave of reform sentiment.

Their attempt to coexist since the dismemberment of the Soviet Union has been a marriage of a camel and a horse, a union doomed to failure. A European foreign minister who recently visited China and Russia in quick succession offers this glimpse of the post-Communist world: "In Beijing it was impossible to talk about anything but the economy. The Chi-

nese recited growth figures and invest-ment, and would not talk politics at all. In Moscow, all they could talk about was politics. The Russians could say nothing about the economy." The abrupt collapse of communism at the beginning of this decade has left half-formed societies, shifting like cooling land masses after a volcanic big bang. Russia has in a few months ed from the serious economic reform Mr. Yeltsin launched into all-consuming factional political fighting. It is this pattern that Mr. Yeltsin must reverse before he can expect serious economic help from the West.

As the latest confrontation seemed to gather force, Mr. Yeltsin solicited and received open political support from the United States and its allies. was facing his first international test, Western leaders responded with skill to Mr. Yeltsin's rhetorical needs. The burden now shifts to Mr. Yelt-

sin as be heads into the Vancouver summit with Mr. Clinton. He must be able to assure the American president that the reform forces can bring the ruble - and inflation - under control. The burden is on Mr. Yeltsin to show that the week's sound and fury in Moscow signified something more than political infighting. The hope has to be that it showed Russia moving toward establishing a disciplined central without to respect to the control of the co tral authority to manage reform. Absent such a showing there is bitle America and other members of the Group of Seven industrial democracies

can do to help Russia economically. The Russian leader could also help by re-establishing normal polit-

ical dialogue with Japan, the host of the G-7 summit in July and of the mid-April G-7 finance and foreign ministers. Despite repeated requests, Mr. Yeltsin has not received a Japanese visitor since he abruptly canceled a visit to Tokyo in September amid mutual recriminations. He has left Japanese officials with the sense that he is pursuing a policy of ignoring and isolating Japan.

Blessed with enemies like those he has in the Russian congress, Mr. Yeltsin does not need to recruit new ones. He has managed to take the momentum away from his opponents. He must now show that he knows what to do with it by getting economic reform back on track.

The Washington Post.



African Democracy: Changing a Continent's Course

WASHINGTON — In the United States, children from grade school on are asked to form class organizations with elected officials. They hear their parents talk of city, county, school board, state and naelections, from their earliest days. Multiparty, majority-rule politics is what they see on television, in the newspapers and on all sides as

part of their daily formation. In African society, decisions are made at the village level, and they are reached in consensus by respected elders, who are not elected but "age" into their positions. Consensual decisions contain a bit of everything to appeal to all affected. They are attained without one part of the council having been "defeated" and the other

No one loses face. The agreement is achieved in a more subtle manner than the parliamentary process provides and is normally more acceptable to those who in the parliamentary system would have lost.

Defeat is difficult to accept, even if one has been brought up in the multi-party system. It is a humbling, disilluing experience, something that

By A. M. Rosenthal

N EW YORK — Bill Clinton is clear, on the record, on what be thinks about the American tragedy of

drug abuse. Running for office, be linked it plain and

realistically to crime in America, said both were growing dramatically and that "a tough national response"

was required. But President Clinton's leadership role

so far in developing and alerting public and press attention to the need for a strong anti-drug policy has to be described just as clearly and realistically. No leadership. No role. No policy.

And without the president - no press, no public.

shown the journalistic memory of the sweet newborn.

But editors and publishers know that most of the

crimes they report are fied to drug addiction, that the

poor suffer most, that wherever there is a drug parent

there is a broken family, that thousands of babies are

born with crack damage as their maternal heritage, that drug addicts spread AIDS more than any other seg-

People had a right to expect that a man like Bill Clinton, so concerned by health care and the sorrows of the underprivileged, would give priority to a problem that swanns the hospitals and garrotes the poor.

In office, be has taken two steps on drug policy.

Problem is, the first could be meaningless and the

second destructive unless they are part of an overall

He promoted the office of anti-drug director to

cabinet rank. But he has not yet bothered to appoint

policy shouted in the ear of the drowsing public.

ment of the population.

With a few exceptions, the American press has

By Julius W. Walker Jr.

anyone struggles against - and Africans are not excluded. Jonas Savimbi recently marched out of Angola muttering that the will of the people had been mocked, because he had lost an election that all observers said had been fairly conducted. Although many American politicians shared his feeling in November, their reaction was different. Mr. Savimbi and others like him must learn to live

with the results of the polling place, difficult though that may be, if they are to have multiparty government. Africans are also accustomed to accepting rule by fiat — bending to the will of a strong leader who makes decisions for the group and takes responsibility for its overall well-be-ing. Rule by one man, or by consensus, or a combination, is what many

Africans have known since birth. It would be difficult for Americans to adapt to government by conscisus or by har; they have had little or no experience of either. The ordinary town council would be hard-pressed to govern by consensus, with no one disagreeing and all having an equal part

No Trace of a Believable Drug Policy

in the decision. Concessions are not easy for American governing bodies, and making them repeatedly to arrive at an agreement acceptable to all is outside the American ken. It is no less difficult for Africans to come to grips

with concepts of Western thought.

To understand the time it may take for governmental processes to develop in Africa, Americans need only recall their own history. Although independence for the 13 colonies was attained in 1776, the United States of America came into existence only in 1789, with the adoption of the constitution. A lot of what we Americans now consider our system of government was not in place even then.

White males were the only ones with the vote, but they did not have the right to vote directly for senators. The fear of the abuses that the populace might precipitate with the vote was such that senatorial selection was entrusted to state legislatures.

The United States finally decided to remain united in 1865, at which time the vote was, in theory at least, vested in black males as well as white.

Then the Democratic Congress and Democratic ad-

ministration began whacking heartily at funds allotted for Latin American countries to help them reduce drug

production. Without preparation and explanation, that

step is naturally taken in Latin America as meaning

America is packing up its drug war abroad. It sturmed those Latin American officials who risked their careers and lives in the belief that the United States would be

a lasting partner in the drug offensive Washington had

The struggle against drug addiction has to be fought on all fronts — treatment, law enforcement, interdic-

tion, education. Treatment needs a bigger share than it

is getting. But cuts in the other drug areas have to be put in a clear, total, believable package. Otherwise they will carry a disastrous message: Enforcement, interdic-

tion and cutting foreign drug production do not count.

Douglas Jehl and David Johnston in Washington

and Ralph Blumenthal in New York dug that story out

for The New York Times. But why was there no official

Maybe it is because nobody is in charge of

In want of a better explanation, always select the

simplest. But that would make the answer to Mr. Clinton's mattention to the drug problem that he does not give much of a damn. That is too depressing to accept.

the administration awake. How much does drug addiction cost in health billions and what could we do with that money? Maybe Al Gore could help too. For

Maybe Hillary Rodham Clinton will care and shake

so long urged on them.

were voters, including women, allowed to elect senators directly. Only later in this century were most black Americans finally enfranchised.

In their struggles to find the govcrnmental forms that will serve them best, Africans may need more time than the United States took, as Africans have more inertia to overcome.

Americans had the advantage of losing many traditions when they came to the New World. Those that they brought had to be tailored to work with those of other colonists. "Ways of doing things" that had been set in concrete by European progenitors were relaxed and shaped by exposure to other, similar mores held by different but comparably uprooted people. The alienation of first-generation Americans from their traditions thus formed the bed in which the seeds of modern democratic forms of

life could grow.

That formidable individual stress was an overall blessing for the nation. Its absence in Africa makes for a more deliberate and slower development of national forms of government. Ethnic and tribal values continue

to control at the local levels in Africa, and little has happened to challenge them strongly. But the game has begun. The West can only ap-pland this development.

The writer, n former U.S. ambassador to Burkina Faso, has spent 12 years in Africa. He contributed this comment to the Herald Tribune.

George Bush as the presidents who did not stand up against genocide.

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editing. We cannot be responsible for

the return of unsolicited manuscripts.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: A Strange Find

PARIS — Mr. Alderman Scupham, of Leeds, has had a singular find at Bridlington. He was walking by the seaside when a package was washed on shore. It was safely tied, and inside it there were forty-one cheques and a promissory note, of the total value of about £6,000. They were for the most part drawn in the year 1815, upon a local firm of bankers. All the documents were in a state of almost perfect preservation, the watermarks being very clear. The promissory note is for £3,198.

1918: Back to Canada

LONDON - Wives and dependants of Canadian soldiers who are now living in England have received a strong hint to return to Canada as early as possible - unless they wish to stop in England a year or more after the end of the war owing to lack of ship room. The suggestion has al-ready had effect, and numbers of

wives and other relatives of Canadian soldiers - many of whom came to England in the early days of the war - prefer to return to Canada now rather than run the risk of a long detention after peace is declared.

1943: LaGuardia to Italy WASHINGTON -- Mayor F. H. La-

Guardia of New York is shortly to be commissioned in the Army as a brigadier general, it was reported tonight [March 26] in authoritative circles. It is understood that he will report to Governors Island next week for physical examinations and that if he passes President Roosevelt will send his nomination as a general officer to the Senate. It is believed that when the American Army moves into Italy he will be designated to act as mil-tary governor of the zone occupied by U.S. military forces. For some time the Mayor has been broadcasting in Italian to the people of Italy, de-nouncing Mussolim's government for baving betrayed them.

137/10/201

heaven's sake, Mr. Vice President, in towns and cities anybody to the job or outline what powers Director all over America, drugs are the environment. Who will have except to hang around cabinet meetings.

The New York Times. .

explanation, why this weird secrecy?

even nonpolicy about drugs.

In Bosh And Son



TURMOIL IN BANGLADESH — Police chasing anti-fundamentalist demonstrators in an attempt to prevent them from rallying in central Dhaka on Friday, the 22d anniversary of Bangladeshi independence. They are demanding that Golam Azam, head of the fundamentalist Islamic Society party, be tried for crimes allegedly committed during Bangladesh's 1971 war for independence.

In Angola, Soldiers Take the Food Aid

By Kenneth B. Noble New York Times Service

MALANJE, Angola — As manager of the United Nations' emergency food distribution here, Jorge Modesto has become accustomed to seeing shoving matches in hungry mobs when relief planes land at the tiny airport.

But what is gentimely terrifying, he says, is that increasingly some of the most bitter brawl-ing over food handouts in Angola occurs be-

tween relief officials and government soldiers. "Almost every day, I get a gun stuck in my face by some crazed soldier yelling, 'Give me food! Give me food!' " said Mr. Modesto, 33, a Brazilian who is here for the World Food Program, a division of the United Nations.

"It's an impossible situation to deal with, absolutely impossible," he said as he sat waiting for shipments to arrive at the airport. "And Pm sick of it. I've got 18 more days to go, and I'm out of here. No more Angola for me."

Carlos Meléndez, a Peruvian who has also served as base manager here, recalls being approached recently by a soldier desperate to get his family aboard a UN flight headed for the relative comfort of Luanda, Angola's capital, where food is still plentiful.

"He put a gun up to my head and said, 'Get my family on that plane, or I'll kill you.' And I said, You can kill me, but if you do, you and your family will die of hunger." The soldier

The desperate search for food and transportation, diplomats and relief officials say, is evidence of how troops loyal to the rebel leader Jonas Savimbi have been able to gain control of much of the countryside around this provincial

capital, severing road traffic and government

supply lines.
It is also a chilling example of how soldiers, when given the choice between going hungry and helping starving civilians, almost invari-ably choose to save their own necks. "It's fair to say that most soldiers here lost

any sense they ever had of selflessness a long time ago," a Western relief official said. "Now it's every man for himself."

There are still ample supplies of cassava, corn, rice and other staples in the markets for those who can pay the prices, which have risen 20 percent or more in a month. But if the roads remain blocked, all of Malanje's food will have to come from stocks except for whatever can be brought in by air on military transport and relief flights.

Since it restarted the war last autumn after an 18-month hiatus, Mr. Savimbi's group, the Union for the Total Independence of Angola, known as UNITA, has taken control of nearly two-thirds of the country. Flights by the World Food Program and the Red Cross to Malanje, Lucna and other beleaguered provincial capi-tals have lately provided civilians, as well as

soldiers, with virtually all their food.

As a town, Malanje has never amounted to much. And since the conflict between the Luanda government and UNITA heightened again last autumn things have only become worse. The electricity is on just a few hours a day, and water is scarce. The mains have been shot full of holes or tapped into by refugee squatters, who are everywhere.

But because Malanje, with its population of nearly 400,000, is a capital in central Angola and has one of the government's largest military garrisons, it has become an irresistible target for UNITA. The struggle over Malanje and the consequent effect on food supplies have ignited a wrenching debate among relief organizations and diplomats over how much risk their

volunteers on the front lines should endure. "A lot of the food intended for civilians simply ends up in the hands of soldiers," a relief official said. "And that's not why we're supposed to be here."

In fact, according to official estimates, less

Partly as a result, the World Food Program is the only relief organization still fully operational in Angola. Others, including the Catholic Relief Services, CARE and the World Lutheran Federation, which once ran large operations here, have either scaled them down or pulled

What many fear is that Malanje could become another Huambo, the provincial capital in Angola's central highlands, which is Mr. Savimbi's ethnic and military base.

Since fierce fighting erupted in Huambo, the second-largest city, nearly two months ago, aid organizations have been desperate to fly relief supplies in for wounded and starving civilians. But so far, neither UNITA nor the government has given permission.

"How can we ask our people to go to places like Huambo or even Malanje, and risk their lives, when we can't guarantee that they can get out?" a senior relief official in Luanda said. "Ultimately, it's the people of Angola who will suffer if we are forced to pull ont, not us. But right now, neither side seems to care."

Japan Vows Troops for UN Force in Mozambique

TOKYO - Japan will send military personnel to join United Nations peacekeeping operations in Mozambique, the second such mis-sion abroad, the government said

Friday.
Officials said about 50 Self-Defense Force troops would be in-volved, and would engage in transport coordination work. The officials said a detailed plan was expected to be approved at a cabi-

net meeting next month. In September, Japan sent about 600 troops to Cambodia after years of debate over whether this was allowed under the country's pacifist postwar constitution.

"We decided this was an appropriate contribution for Japan to make, and is in line with the UN's strong expectations," the chief cabinet secretary, Yohei Kono said.

A Foreign Ministry official quoted by the Kyodo news agency said the decision would help dispel the impression that Japan was con-

cerned primarily with Asia.

"What we are saying is that Japan's concern is more global, that we are ready to go wherever there is

a need," he said. Ministers were initially cautious about sending troops to a region so distant from Japan's traditional sphere of interest. After a government fact-finding mission to Mozambique, however, they decided that the conditions for Japanese participation in UN peacekeeping efforts there had been met. These conditions included a cease-fire in place and assurances that Japanese troops would not be drawn into

The UN peacekeeping force overseeing the former Marxist country's transition to democracy is expected eventually to number

more than 7,000. Mr. Kono cited the success of the apanese participation in peacekeeping operations in Cambodia as one reason for deciding to send troops farther afield. He added that extensive media coverage of the UN's Cambodian operations had helped win public support for an expanded Japanese role.

A Foreign Ministry spokesman, Sadaaki Numata, said Friday that the decision to send troops to a region beyond Japan's traditional sphere of interest reflected the humanitarian nature of UN peacekeeping activities.

The dispatch of troops to Mozambique "was felt to be in keeping with the spirit of peacekeeping op-erations," he said. (Reuters, AP)

Waiting for the Ambassadors Clinton's Nominees Are Still Mainly Hearsay

By John M. Goshko Washington Post Service
WASHINGTON — More than

two months after President Bill Clinton took office, he still has not asked the Senate to confirm anyone to serve as U.S. ambassador to a foreign government.

Senators say they still are largely in the dark about who Mr. Clinton wants to be his representatives in the world's capitals. The Clinton team contends it is moving just as fast as the Bush administration did

Only two ambassadorships both to international organizations have been acted on Madeleine K. Albright, chief of the U.S. deleganon to the United Nations, was approved quickly because she has cabinet rank. Harriet C. Babhitt, the choice for chief U.S. delegate to the Organization of American States, appeared at a confirmation hearing Wednesday.

But, when it comes to matching names to U.S. embassies around the world, the members of the Sen-

sent" to the president's nominaanything official hy the White House or the State Department about whom to expect.

whose appointments to assorted

House that there are a lot of coun-

for household jobs that some

perform so meticulously but oth-

Twice in the past month auto-

mobile manufacturers have con-fided their advertising to agen-

cies that already have carmaking

elients. Porsche Cars North

America Inc. moved its account

to Goodby, Berlin & Silverstein

of San Francisco, which already

handles American Isuzu Motors

Inc. Mullen Advertising Inc. of

Wenham, Massachusetts, is han-

dling hoth Rolls-Royce and

BMW. All fonr automakers

agreed to the doubling up. "It helps," The New York Times

notes, that for both agencies,

their clients "are not directly

competitive." Even so, this runs

against the tradition that adver-

tisers, especially in such highly

competitive fields, refuse to share agencies with rivals. A

ers hardly bother with at all?

Short Takes

Pickering is slated to go to Moscow, that Pamela Harriman will get Paris and that Raymond G.H. Seitz, currently in London, has been asked to stay on. They also have heard that Mr. Clinton plans to reactivate the nominations of five career Foreign Service officers,

small countries were left in limbo at the end of the Bush administration. "We know about these things because we read it in the newspapers or heard it on television." said a member of the Senate Foreign Relations Committee staff, "But, so far, we haven't received a single piece of paper about any ambassa-dorial nominations except Albright and Babbitt. After two months, it

should have dawned on the White

atc, who must "advise and con- tries out there and that some are embroiled in crises that need attentions, still have not been told tion from the president's personal representatives."

Moreover, the aide noted, the Senate is scheduled to recess on I hey have heard that Thomas R. April 2, and under Foreign Relations Committee rules, any trominations not submitted to the committee by Friday cannot he considered until after Congress reconvenes on April 19.

However, the administration does not seem to share the congressional concern. A senior State De-partment official, who asked not to be identified, said a check of the Bush administration's first months in 1989 showed it made its first five amhassadorial nominations in March, six more in April and did

not post big numbers until May. The Clinton administration, the official said, gave priority to winning confirmation of those State Department officials — undersecretaries and assistant secretaries charged with making policy rather than executing it.

AMERICAN TOPICS

Putting a Dollar Value On Household Tasks

The official U.S. measurement of economic output does not measure cooking dinner, vacu-uming the house, dispering the baby or other unpaid domestic tasks performed in many households. But should it?

Congress is considering legislation that would require the Commerce Department to in-clude all impaid work in its calculations of gross domestic prod-uct, The Washington Post reports. The GDP measures goods and services produced hy labor and property, and is used to track the condition of the country's economy.

Women's rights advocates and others have been arguing for decades that household work would have more dignity and national economic figures would be more accurate if unpaid work were included in the GDP.

"We want the caring work that women do officially counted as an actual contribution to the economy of the United States," said Margaret Prescod, director of the U.S. chapter of the International Wages for Housework

No country includes such work in its official national ac-Porsche spokesman said Goodby impressed us with their autocount. France, however, publishes a "satellite GDP" that inmotive experience."

eludes unpaid work, and MCA Inc. the entertainment Germany, Norway, New Zeaconglomerate, is now free to call land, Australia and Canada are its new Los Angeles theme park collecting data on unpaid contri-City Walk, having reached an out-of-court settlement with City Wok, which runs two Chinese Those opposed to the idea see a host of problems in gathering restaurants in the city. Terms accurate or meaningful data. For instance, how could the governwere not disclosed. ment establish monetary values

In the country's northernmost golf tournament, held for charity every year on the snow-covered ice of the Bering Sea off Alaska, the greens are artificial turf and never need mowing. Otherwise snow is everywhere; there is no need to replace divots, and the balls are orange, to aid in finding them. Anyone whose ball hits a polar bear is assessed a three stroke penalty - a concession to the Endangered Species Act. But if the player retrieves the ball from the bear -- and survives five strokes are subtracted from the scorecard. So far neither contingency has arisen.

After the Whiteland, India basketball team had lost by 27 points to Franklin Central, the coach, Kevin Smith, remarked: Sometimes you're the bug, sometimes you're the windshield I'll leave it to you to decide which we were

Arthur Highee



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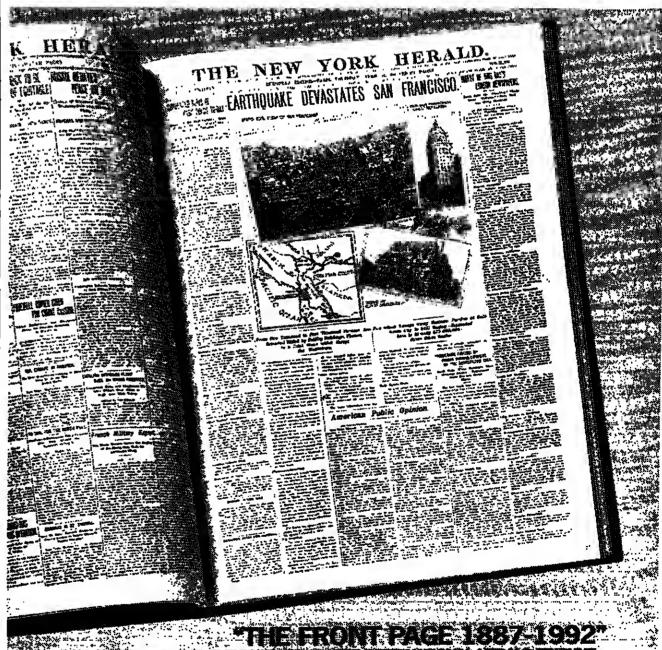
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Many in Eastern Germany Redirect Their Anger

By Marc Fisher Washington Post Service

LEIPZIG — The last time East Germans marched in a ring around this city, Klaus Wenzel was with them. There were 100,000 people in those Monday night demonstrations in the autumn of 1989, maybe more, and they made history. bringing down East Germany's Communist regime and pushing

two Germanys into one. This past Monday night, Mr. Wenzel stood on the sidewalk, watching thousands of his fellow East Germans as they followed the same path they had in 1989. This time, Mr. Wenzel will not march.

Mr. Wenzel has a job. Most of the people walking past him, holding candles, banners or a friend's

Fed up with 40 percent unemployment, the closings of many of the region's major industrial plants and wages that still lag far behind those in Western Germany, Eastern churches, trade unions and political groups have revived the Monday demonstrations under the slogan, "We've had it."

This week, about 15,000 East Germans came bearing signs calling for "Equal Pay for Equal Work" and asking, "When Will We

BONN - An army of steelworkers marched

through Bonn on Friday demanding Chancellor

Helmut Kohl's help in rescuing Germany's steel

Organizers said nearly 100,000 protesters turned

up, while the police said about 70,000, Either way,

it was one of the biggest protests to hit the federal

government since the anti-missile marches of the

Franz Steinkühler, chairman of 1G Metall, the

шo util

Once again, the pastor at St. Nikolai Church's Monday peace prayer faced the frightened and in-secure and described "the importance of standing by the other."

Once again, the people of Leip-zig streamed out of church and shuffled into the main square, then around the city ring, pledging to do this every week until the Bonn government hears their cry.

What is different this time is that East German society has been cleft between those who see a path in the new system, and those who don't. "It was totally different in 1989

- that was a people revolting against their government, said Peter Langer, local chairman of the Committees for Justice, a grassroots group that drew large crowds to its booth here despite the group's links to the former Communist Party. "Now, society is so differentiated. We went our own ways and we don't stick together anymore." Mr. Langer, 59, is a member of

what Bonn politicians call the lost generation, the older East Germans who will most likely never work again. Mr. Langer lost his job as an engineer at a company that makes bookbinding machinery. The factory cut its work force from 3,000

German Steelworkers on the March

"Why should we be punished for being born here?" he asked. Mr. Wenzel, the bystander, who is a professor of medicine, feels

liberated rather than punished. "I'm thrilled by the new possibilines I have," he said. "Mostly they're here for jobs, or because they've lost the social safety net. And yes, there are new social injustices, but things weren't better be-

A banner held aloft over the crowd read, "1.3 million jobs de-stroyed, 98 percent of Western price levels, 52 percent of Western pay levels — The tendency toward violence grows."

"Man does not live by bread one," the Reverend Christian Führer said at Monday's peace prayer. "Some are cynical in this hour. Many of us are doing poorly, some have fallen very deeply into bad times. There is deep humiliation in this house."
"We will not find satisfaction in

the fulfillment of our justified de-mands for better pay," he said. "We must finally approach our neighbor and ask for help."

The pastor's appeal to a hrother-hood that many East Germans be-

lieve is being lost to a more compet-

powerful steelworkers union, told protesters that

the steel industry's woes mirror an economic, so-cial and political malaise afflicting Germany more

Germany and other West European nations are

under pressure from the European Community to cut steel production. In addition, steel from the former Soviet bloc nations is being sold at bargain prices. Union officials say up to 55,000 of 125,000 jobs are in jeopardy from plans to shut down

plants because of overproduction and world reces-

than two years after reunification.

friends getting oothing white westerners got all the prime positions."

"We've realized in the last three the homeless, along with Four Walls, an advice center for those walls, an advice center for those friends getting oothing while Westright to work," said Ehrenfried who have lost their apartments to Possneck, who lost his job teaching soaring rents or returning Westernpolitical science at Leipzig's university. "Sure, now we can travel

rights."
West German unions and opposition political parties are trying to capture the new Leipzig tage for themselves, hoping that the dissatisfaction can be turned against Chancellor Helmut Kohl. But the East German anger is

most often directed at all the major parties in Bonn. And the West has been quick to denounce the new demonstrations as an ungrateful abuse of the powerful symbol of

East Germany should know that a living, indigenous economy cannot Salvador Officers become productive from one year to the next," the Frankfurter Allgemeine newspaper said in a frontpage editorial that instructed Easterners to be more patient.

Mr. Kohl's cabinet, on Tuesday Shortly after a UN-appointed blasted the Monday marches as panel accused the Salvadoran

suggests that we face the same in foreign courts.

Stop Being Second-Class Citi- to 400 workers, and still may not itive and individualist Western problems." She was referring to the ethic may have struck a chord with problems that existed in 1989. In a rear corner of St. Nikolai, a his audience. But on the far more crowded street outside, the talk was bulletin board marked "Informaabout being paid, not being neightion" has stood since the mid-1980s as a chronicler of dissent and a "Until a few months ago, I be-wed an Eastern graduate would searching. During the 1989 revolulieved an Eastern graduate would

tion, it was here that illegal citizens' have the same chances as a Western graduate in finding a lucrative ap- groups posted their appeals and prenticeship," said Anna Brandt, a stred their gripes.
student who addressed the crowd. These days, the These days, the notices speak of Then I had to experience my a different set of problems. A letter from the city council announces the opening of Leipzig's first shelter for

ers who have reclaimed their propand we can speak out, but if you A flier delivers an impassioned have on money, you can't use those defense of foreign residents, who neither take German jobs nor increase local crime rates, the church reminds those searching for scapegoats. There are offers of counseling for those who have read the files the East German secret police

kept on them. And there are many services for the johless: counseling, social groups, even a special café. But nothing is on the board about jobs.

1989's Leipzig marches. The Germans in the former U.S. Hopes to Try

Los Angeles Times Service WASHINGTON - The Clinton administration may seek to hring Salvadoran military officers to trial Angela Merkel, the Germao in U.S. courts for human rights minister for women and youth, abuses, according to Secretary of who is one of two East Germans in State Warren M. Christopher.

Army of abuses last week, legisla-"regrettable and dangerous."

Army of abuses last week, legislators pushed through an amnesty.

ple," she said on German radio, "I But Mr. Christopher said in confind Monday an improper day for gressional testimooy that internathese demonstrations because it tional law may permit prosecutions

Bonn Acts To Curb **Outbursts** Of Racism

BONN - Billboards, car stickers and badges urging Germans to reject racism will flood the country in a campaign against anti-forcign-er violence started Friday by Interior Minister Rudolf Seiters.

Confronting extremism, hatred of foreigners and violence cannot only be a task for the police, courts and other state institutions," Mr. Seiters said. "It is also a task for society as a whole."

A statement issued by his ministry said the campaign would also feature newspaper advertisements and information in schools about the need to show understanding respect for human dignity and to condemn hatred against foreigners. Mr. Seiters said the oumber of xenophobic incidents had fallen

since a wave of extreme rightist violence began in mid-1991, but that Germans must not relax their efforts to fight racism. We Germans know from our

painful history that extremism, hatred and violence have always brought disaster," he said.

Examples of intolerance continue. In the East German village of Fichhof on Thursday, 400 cinzens protested plans by Mecklenburg regional authorities to set up a home for asylum-seekers in their neighborhood. Villagers abused and intimidated two officials at a meeting on Thursday, a spokesman for the Mecklenburg state Interior Ministry in Schwerin said.

"If the asylum-seekers come here the house will burn," the spokesman quoted one Eichhof resident

as saying.
Residents blocked the entrance to the planned reception center, which is destined for 200 Romanian refugees from a crowded home for asylum-seekers in the port of Rostock. The city was the scene of racist riots last August. Seventeen people, including sev-

en foreigners, were killed in more than 2,285 incidents of neo-Nazi and rightist violence last year, up 50 percent from 1991. Mr. Seiters said 173 criminal acts by extreme rightists were reported

in the first 10 weeks this year, down nearly 40 percent from the same period in 1992.

He attributed the drop to a gov-ernment crackdown on neo-Nazi groups and marches against racism by bundreds of thousands of Germans after three Turks were killed in an arson attack near Hamburg in

FRANCE: Race Gets Nasty

close personal friend of Mr. Dumas's who is the widow of the billionaire Sandi arms dealer Akram

Mrs. Ojjeh is also the daughter of Syria's defense minister, Lieutenant General Mustafa Tlas, who played a leading role in the massacre of thousands of people during a religious fundamentalist uprising in the oorthern Syrian town of

scizing large shares of profits from the flourishing bashish trade in

Gaullist candidate who hopes to defeat Mr. Dumas in Sunday's runoff, attacked what he called the dirty money" behind the scanner and the clumsy effort to sway voter

Mrs. Ojich says she is "scandal-ized by the political exploitation of this humanitarian gesture."

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IBM: New Chief Vows a Hard Look

GAZA MOURNS — A woman crossing under a flag flying upside down, to signal grief over victims of Israeli clashes.

(Continued from page 1)

to none," said Jeffrey Somenfeld, who heads the Center for the Study of Leadership at Emory University in Atlanta. He pointed out that Mr. Scalley, who turned Apple from a company thriving on its founders' brainstorms into a modern cosporation, came from marketing Pepsi-Cola and not computers.

Moreover, James E. Burke, renired chairman of Johnson & Johnson and head of the IBM search committee pointed out that when Mr. Gerstner was president of American Express Co. in the 1980s, "among his many accomplishments was trend-setting

computer technology to gain strategic advantage." Mr. Gerstner, who keeps an IBM PS/2 personal computer in his office, was the architect of American Express's computerized strategy of segmenting its huge customer base into income, ZIP code, purchasing preference and other identifications. These, when translated into direct mail solicitations, flood consumers with junk mail but also con-

tribute to the the company's other-Hama in 1982.

General Tas also has been accused by U.S. drug investigators of cused by C.S. drug inve ness units in the perestroika that problem.

Akers began, then the directors must have decided that someone like Gerstner is the right choice to run it," said David Wa, an S.G. Warburg analyst and former IBM

employee. He has experience in spin-offs and sell-offs from RJR and a successful finance and marketing background from American Express, and he knows how to run complex organizations," Mr. Wu

Among the IBM divisions that have been rumored to be on the block are the personal computer, high-end printer, and peripherals divisions, although Mr. Gerstner gave no hint of his plans.

The principal criticism is that although he is brilliant at corporate architecture, his record at product innovation is spotty, and individual products do oot always thrive de-

spite his close attention to detail. An example is in RJR's tobacco business. Its Winston, Camel, and Salem brands have failed to keep their hold on a declining market, and the company was late getting into discount brands. John Maxwell, analyst at Wheat First Securities in Richmond, Virginia, said this was RJR's principal unsolved

ebanon. Jean-Jacques de Peretti, the BUDGET: Troop Cut of 30,000

(Continued from page 1)

tion of the M-1 tank, the upgrade of the Bradley Fighting Vehicle, the Blackhawk helicopter, the F-16 fighter, the Aegis-class destroyer and the C-17 aircraft.

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Pending results of an overall re-

view later this year, the budget also protects development of such weapons as the F-22 aircraft, the Comanche light helicopter, the Centurion attack submarine and

the V-22 Osprey hybrid aircraft. The budget maintains funds for the space-based Strategic Defense Initiative at about last year's level of \$3.8 billion, with greater emphasis on developing a theater missile defense to focus on regional con-

flicts. The "brilliant pebbles" program involving ground- and space-based interceptors to destroy enemy missiles and favored by many Republicans will be limited because financing for it and other programs will total only \$400 million.

Missing from the budget is any spending on the Seawolf subma-rine. However, the budget includes \$449 million for the new attack

sub marine, the Centurion. The budget also calls for \$2.6 billion for six C-17 aircraft, the transport cargo plane that has been

criticized for cost overruns and de-The budget includes \$1.7 billion to complete the B-2 Stealth bomber

CHARLOT Roi des Coquillages program at 20 planes.

Mobutu Summons CHEZ FRED Former Assembly

The Associated Pres BRAZZAVILLE, Congo -President Mobutu Sese Seko of Zaire said Friday that he would convene the country's former National Assembly in an attempt to override the transitional parliament imposed by pro-democracy groups. The transition legislature has refused to take orders from Marshal Mobuto, including a de-

ter Etienne Tshisekedi. Marshal Mobutu, whose term expired in December 1991, said on state radio that he would call back mio session on Monday the assembly elected under his one-party

mand that it dismiss Prime Minis-





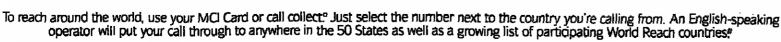
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WY OU SO



Master of Nocturnal Lives

By Michael Gibson International Herald Tribune

ARIS - Robert Guinan is an unusual artist whose strongly atmospheric paintings are much appreciated in Europe, though they are viewed with some suspicion in his own country and particularly in Chicago, where he has been living since 1959. Considering the subjects Guinan has been dealing with over the past 25 years this suspicion may be motivated by the idea that his art

is burdened with a social message. This is not the case — the mes-sage is not social, but humanistic. This white middle-class artist leads something of a double life, sharing his nights between his family and the marginal characters and prosti-tutes (mostly black) that haunt the shabby bars like the one on Halsted and Division streets depicted in some of his paintings. This is his dominant subject matter, but it is by no means exclusive, as can be his current exhibition at the Albert Loeb gallery in Paris (to

April 30). His paintings may, at first glance, resemble the work of Edward Hopper. Both depict lonely people. But while Hopper painted canvases saturated with strong and luminous colors and dealt with the situations and emotions of white middle-class characters. Guinan paints nocturnal scenes in muted colors, evoking the lives of poor blacks in sober terms. Even his outdoor scenes are painted at night. Indeed, he declares that he had rather work at night and he does not allow simlight into his studio.

"I probably have a romantic atti-

tude," he said during a recent visit to Paris.

When Guinan was a young man living in Watertown in upstate New York, the town was divided between the "real Americans" on one side of the track and Italian immigrants on the other. "They were the despised minority," he recalled, "but they had a radio program in which they played Sicilian tarantellas, and I became entranced with that music Later on, when I was in the army, I became fascinated with American blacks and with jazz, and in time I began to realize that I was in love with any culture except my own."
His portraits of blacks done in the 1970s earned him a negative review in The New York Times his last in an American newspaper

— but they were very well-received
in Paris. The French curator and

for various shows, including the Venice Biennale in 1982. Guinan has painted such figures as the gospel singer Sister Carrie Robbins and the poetess Margaret Danner, but his recurrent subjects have been Emile Breda, a gifted but totally marginalized pianist, and Geraldine, a black prostitute.

critic Jean Clair later chose Guinan

Guman speaks of both with much warmth, and while their portraits stand on their own, certain aspects of their lives, as revealed by Guinan, inevitably add intensity to one's perception of them.

A small woman with a harelip, Geraldine got pregnant for the first time when she was 13. Without support or training, she turned to prostitution, but tried to keep her children from learning about the

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nature of her activities. A few years
ago, however, some neighbors decided to clue them in. The youngest
son was then seven. The children
in one 1970 portrait, sitting, nude, went to their mother and told her she had to stop. "You want me to stop?" she said. "O. K." The children were pleased. But when she served them nothing but beans for the next couple of days, they began

Geraldine matter-of-factly pointed out her lack of professional qualifications and suggested that if they wanted her to stop, that was fine, but there would he conse-quences, and maybe they should talk things over among themselves while she went into the other room. A few minutes later, the sevenyear-old knocked on the door and informed her that it was all right by them if she continued for the time

Geraldine's life was ultimately a success, Guinan says. She met a very articulate man, a recovering alcoholic, and they married. One of her sons is very bright and earned a he likes Debussy and Bach. His university scholarship. "I find this problem has been one of racial idenis an enormous victory over a very difficult life." Guinan coacludes, adding that "this has nothing to do with my painting. It wasn't my reason for choosing her in the first place. I'm not a sociologist!"

IS empathy for minor-ities does lead him to dignify the figures he chooses to paint by endowing them with a certain monementality in the midst of their

His numerous portraits of Geral-

portrayed in various positions and, in one 1970 portrait, sitting, nude, at the piano. Guinan sees Breda as a victim.

His was a poor black family from Louisiana, and as a child he was a Because he is very light-skinned, his mother did everything to make him white. Characteristically, when he neglected to have his hair straightened for a high-school yearbook shotograph his synthetical a color of the straightened for a high-school yearbook shotograph his synthetical a color of the second straightened for a high-school yearbook photograph, his mother took a sharp object and scratched out the top of

object and scratched out the top of the boy's head on the picture.

"He began to see nothing but English films to learn the accent. Today he tries to speak very British. He has a good bram and an incredible vocabulary. But this superb language flows out for no purpose except image because he has never done anything, although he occasionally plays music in bars. He doesn't like black music, for instance, because it's 'ignorant.' But stance, because it's 'ignorant' But tity and he basa't been able to deal with it. Other blacks have, but he hasn't and the conflict has stopped his whole dawn life. This is a superb mind that has been wasted."

The pathos of such lives inevitably comes home through Guinan's atings. In them the terrible force of subjective experience is condensed into strong straightforward images that remind one of Proust's conclusion in "Remembrance of Things Past." "Only those things are real," he said, "that have been re-created."

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Contemporary Art, Up and Coming

International Herold Tribune

ONDON - It now seems only a matter of time before Contemporary Art occupies the place that has been held for three decades by Impressionism, eventually reinforced by the other avant-garde movements of the late 19th century. It is likely to happen sooner rather than later.

A new stage in the process was reached this week as Sotheby's held its auction of Impressionist, Modern and Contemporary Art and Ceramics on Wednesday and Thursday. For the first time in London auction history, all three categories had to be lumped

SOUREN MELIKIAN

together into a single catalogue. The holdings, not just of Impressionism, which have long been dwindling to their current trickle, but, more ominously, of early 20th-century masters as well, were too flimsy to justify

separate catalogues. The inclusion of ceramics carrying the signatures of Picasso and Jean Coctean and of ballet costume designs by Erté, as Romain de Tirtoff was known, was meant to bolster the offerings but served just as much to asize the scarcity of marketable goods in the field. Yet, in this respect, Sotheby's

came out best. Christie's, running short of presentable merchandise, deemed it preferable to scrap the Impressionist and Modern themes altogether. It only had a Contemporary Art session in its main rooms at 8 King Street, on Thursday afternoon, having dispatched to Christie's South Kensington on Brompton Road whatever Impressionist or Modern ultra-lightweights it had to dispose of. "Serious art" at Christie's and Sotheby's alike now is set aside for semiannual sales in May and November in New York, in early summer

and late autumn in London. This does not mean that the unambitious auctions of the kind that were put together this week are of no interest to sophisticated buyers. Quite the contrary. In a context that does not lend itself to hype, prices reflect more truthfully the spontaneous reaction of the market. Moreover, unconventional works that might not easily fit into the bigger anctions can be seen.

This was illustrated at Sotheby's Wednesday sale by the very first lot, a pencil drawing by Cezanne. It provides a fascinating insight into the painter's own perception of 17thcentury art. The vigorous sketch must have been done in the Louvre as the painter sat or stood, pad in hand, in front of the marble bust

of Charles le Brun by Antoine Coysevox.

The carefully chiscled curls of the big Louis XIV period wig have been jotted down quick, carving strokes. Cariously, what could have been a banal documentary sketch has the same swirling rythmical quality as some of the preliminary studies for bathers in pen and wash done in the years 1892-1895. Copies, or interpretations by one artist of another artist's work, are traditionally disregarded and priced accordingly. At £7,590 (about \$11,150), Cezanne's drawing of a

marble sculpture by Coysevox did not even match the low estimat

More interesting still was a small landscape done by Eugene Boudin around the mid-1850s. This is about 10 years before Boudin developed the manner that was to usher in Impressionism through the influence that Boudin had over his pupil Claude

A man bolding a fishing rod leans back against the slope of a grassy embankment of a moat. The still waters send back reflections of a stone wall breaking at an angle on the opposite side, and of the sky full of clouds. The elaborate, sophisticated composition, the feel for delicate light nuances in cold hues, and the mood of subdued melancholy betray the influence of earlier English artists

such as Constable.

The brushwork, while carefully applied, aims at a sketchier effect. The small panel, 24 by 32.5 centimeters (94: by 12% inches) is a rare illustration of an early stage on the road to Impressionism, making it worth every penny of its £18,400.

A third curiosity that would hardly be seen in a major sale was the view of a village road by Victor Vignon (1847-1909), probably dating from the late 1870s. Vignon, who belonged to the conservative fringe of Impressionism, does detailed landscapes in a color scheme resembling Sisley's or Monet's. The village road went for £10,925, well within the price bracket that his work has been fetching at London auctions in the past two

Early-20th-century art, not quite so depleted yet as the impressionist field, still offers the best finds. Wednesday's sale included a rare top quality sculpture. Alexan-der Archipenko's bronze called, in French, Torse," was inspired by those fragmentary statues from antiquity in which most of the body survives while the head, arms and feet have been broken off. T was executed in 1914 when Archi-

penko was 27. The piece must have been east, trimmed and parinated by the artist or under his supervision.

Technically, it is a masterpiece of bronze making. Aesthetically, it combines neoclassical figuration in the lower part and the Cubist vision of form in the handling of the bust, abrupuly cut off by a stanting edge. At £29,500, "Torse" was a clever buy.

Those looking for a softer version of modern aesthetics could settle for a ceramic plaque painted by Picasso in 1956. Done as a single specimen, clearly from the artist's own hand, it is as good as Vallauris ceramic can be. The plaque typidies the popular image of Picasso's art — two eyes set at different levels and a curving motif that on closer inspection turns out to be a nose, make up a human face of sorts — in a jocular style suited to the Riviera mood. It made £69,000, precisely the middle

mood. It made £69,000, precisely the middle estimate given by Sotheby's.

Other pieces, mostly dishes, churned out in editions of 50 to 500, could be had as Picasso badges for prices ranging from £500 to £5,000—probably far too much given the goods. And that was about it for the meager pickings of Impressionist and early 20th—

Alexander Archipenko's "Torse." proves that contrary to axiom, low quality art of as prices are commensum shows, above all, that can tris strong, and rising We have entered an expectation of the changing of the contrary to axiom, low quality art of as prices are commensum to £5,000—probably far too much given the goods. And that was about it for the meager pickings of Impressionist and early 20th—



century masters worth considering amid a trail of mediocrities carrying the signatures of Montezin, Delavallee and others.

Hence the need to draw upon the available resources of more recent art dating from the decades following the end of World War II.

Activity is brisk in a market that has recovered its vitality by having its prices drastically slashed, making those who operated in it until the 1990 art crash lose huge amounts of

money.

Jean Dubuffet's art is a typical example. Two pictures by the French artist each made the highest single contribution to Sotheby's auction on Thursday morning. One, "Desnuda," shows a woman standing in the nude, handled in Dubuffet's outsized cartoon style. Estimated to be worth £60,000 to £80,000, it went up to £115,000 plus premium (i.e. £128,500).

Tobias Meyer, Sotheby's newly appointed director of contemporary art in Europe, was quite pleased about the price. The vendor may have been less happy. On March 18, 1990, "Desnuda" was knocked down in a Versailles anction conducted by Perrin Royère La Jennesse at a whopping 6.8 mllion francs, more than five times the Sotheby's price.

HERE have been other such cases in recent months, of which the worst by far concerns "La Calipette," considered to rank among Dubuffet's important works. Sold for £2.53 million in April 1990 at Sotheby's, where it then set a much trumpeted world record for the artist, "La Calipette" turned up again at Drouot-Montaigne in November 1992 and was knocked down at 6 million francs, one-

quarter of its previous price.

The average decline in prices for post-World War II art from Europe is not nearly as catastrophic, however. These have stabilized at 40 to 60 percent below the level reached at the height of the market in 1990,

according to Meyer.

He may be slightly optimistic in his assessment. But there is no doubt about the huyers' regained eagerness. At Sotheby's on Thursday, Meyer stresses, several bidders jumped in each time a desirable piece came up. Significantly, the 72 postwar paintings, drawings and scupltures that found buyers, out of the 102 offered in the morning, added up to just over £1 million (about \$1.47 million). This is more than £751,000 realized on Wednesday by the 72 "Impressionist and Modern" works of art.

In Christie's Thursday afternoon sale, the score for postwar art looks better. There were fewer lots failing to sell (23 out of 192) and the failure rate by value was kept down to 7.5 percent.

This is remarkable given the quality, deemed by all professionals to be very low. It proves that contrary to a much-trotted-out axiom, low quality art often sells best as long as prices are commensurately modest. And it shows, above all, that demand for postwar

art is strong, and rising steadily.

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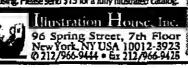
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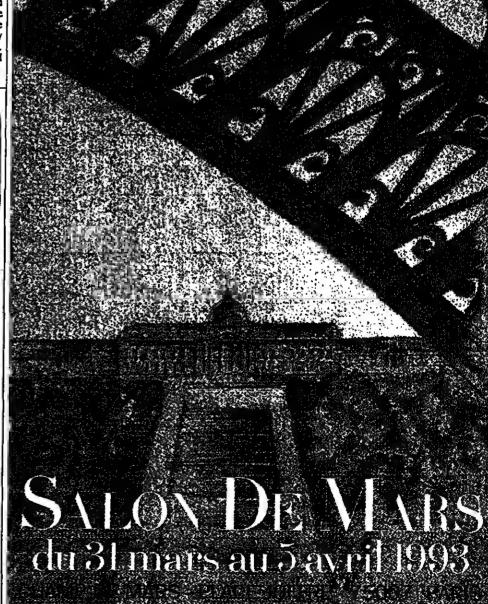
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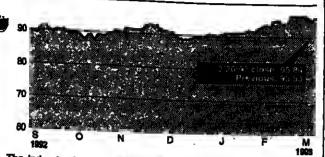
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Energy	100.87	100.33	+0.54	Capital Goods	96.98	96.98	+1.04
Utilities	96.86	95.35	+1,58	Flore Materials	97.34	96.34	+1.04
Finance	94.12	94.01	+0.12	Consumer Goods	88.04	85.95	+0.10
Services	109.20	109.45	-0.23	Miscellaneous'	97.15	96.23	+0.96

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available true of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neullly Cedex, France.

ECONOMIC SCENE

A Growing U.S. Export: Japanese 'Global' Cars

By Jane Periez

EORGETOWN, Kentucky — Every so often on the Toyota Motor Corp. assembly line in Georgetown, a Toyota Canny takes shape with the steering wheel on the right side. The cars' destinations are the ports of Tawara, Japan, and Sheerness, England.

After a decade of making cars in America, Japanese automakers like Toyota and Honda are turning their skips around and sending U.S.-made cars to Japan, Taiwan, the Middle East and Europe. It began as a trickle a few years ago, but exports are rising

and are expected to keep grow-ing for a host of reasons. These include, Japanese auto execu-

tives say, the heightened effi-ciency of Japanese plants in the United States, the improved quality of American-made cars,

and the cost benefits of making cars in the United States instead of Japan. In an age of multinational corporations, executives and global markets, Japanese car companies like Toyota and Honda Motor Co. are pioneering the auto industry's first truly global manufacture. Co. are pronecting the anto inclusing sinst truly global manufacturing system. The idea is to perfect a car's design and production in one place and then churn out thousands of "world cars" each year that can be made in one place and sold around the globe.

In the automotive inclusing, where developing cars for different markets can cost billions of dollars, what Toyota and Honda are

attempting—and what Ford Motor Co. is trying to mimic—could sharply cut development costs, maximize the use of assembly plants and preserve the assembly-line efficiencies that are a hallmark of

the Japanese lean-production system.

In developing a strong export market, Honda is aiming for a "global base of complementary supply," said Roger Lambert, a "U.S. executive of Honda. "Japan can supply North America and Europe," he said. "North America can supply Japan and Europe, and Europe can supply Japan and the United States."

Politically, with Japan running a huge trade surplus with the United States, Toyota and Honda acknowledge that it is helpful for them to show Washington they are at least attempting to correct the imbalance by sending cars back home.

And with an agreement last year to increase the flow of autos and parts from America to Japan, Toyota and Honda are only too

parts from America to Japan, Toyota and Honda are only too happy to devise a way to ship their cars back from the United

French Aristocrats Of State Industry **Watch Their Necks**

PARIS — Their political correctness in question, several captains of French industry and finance will be sailing in very perilous waters after France's conservatives consolidate their

overwhelming victory in Sun-day's run-off election.

Among the state-owned companies likely to get new bosses are Société Nationale Elf Aquitaine, Crédit Lyonnais, Banque Nationale de Paris, and the insurance groups GAN and AGF. The presidents of Air France and the computer maker Groupe Bull were also considered vulnerable.

At the same time, the arrival of the right in power may entice other top executives to trade in their corporate suites for high government portfolios. Among those mentioned as possibly interested in ministerial posts are Jacques Calvet, chairman of Pengeot, the antomaker, Didier Pincan-Valencienne, chairman of Schneider, the factory automation maker; Jean Gandois, chairman of the aluminum concern Pechiney; and Michel Bon, former chairman of the food retailer Carrefour.

Though some executive changes at the state companies are expected quickly — the bet-

tions — others may get their pink slips over the next six to nine months, observers say.
"We won't likely see massiv

bloodshed at the board level. but a slow, progressive replacement of executives," said Stephen Newton managing direc-tor in Paris for Russell Reynolds & Associates, an ex-

Legally, the chairmen of the state-owned companies are hired and fired by their boards, whose members are named by the government. But it has been costomary, at least since 1974, for incoming governments in France to pressure out execu-tives of state-owned companies who have made the mistake of being aligned too closely with the outgoing political party.

Business and government sources say that top job decisions are not likely to be determined solely on the basis of political affiliation, but also the ongevity of the person in the position, his record and his company's prospects.

"I don't see a purge or systematic replacement based on one's political colors," said Dominique Moisi, a political scientist at the French Institute

See AX, Page 12

Fiat Denies Alleged Slush Funds

By Alan Cowell New York Times Service

ROME - Fiat SpA, Italy's auto giant and higgest private company, locked homs with the magistrates investigating the country's corruption scandal on Friday, denying suggestions that it operated foreign slush funds to bribe politicians, but admitting that some of its managers may have paid bribes.

The denial was the latest twist in the sage known as Tangentopoli — Bribe City — that, in recent days, has shown corrupt practices spreading from businessmen and politicians in northern Italy to the diversion of funds intended for earthquake relief, to the country's foreign aid budget and to southern cities linked to organized crime.

The Fiat statement from the company's Turin headquarters was inspired by news Thursday that the investigating magistrates had re-fused bail to two senior, jailed Fiat executives on the grounds that they might tamper with evidence if released.

It was the first time that the Italian conglomerate, which employs some 300,000 people, had set its cosporate weight against a decision by the Milan magistrates and the courts.

The company's top financial officer, Paolo Francesco Mattioli, and another high-ranking executive, Antonio Mosconi, were jailed more than a month ago as magistrates pursued inves-tigations into purported corrupt ties between Fixt's construction subsidiary and political parties. An arrest warrant has been issued for a third executive, Riccardo Ruggieri, head of a London-based Fiat subsidiary, New Holland Geotech, and a former director of its Iveco

They are among hundreds of businessmen and politicians to have been arrested or interrogated in a ballooning corruption scandal that has unveiled systematic illicit payments to finance political parties in return for publicworks contracts.

Investigators in Milan opposed bail for the two arrested executives by citing allegations

KLM already has a stake in North-

west Airlines in the United States.

ny Lowensberg, said Friday that the carrier continued to have dis-

cussions with the other three air-

lines but that it had not decided

whether a combination made sense.

most likely approach would be to

merge the operations of the four

airlines without merging the com-

Industry executives said the

A spokesman for Swissair, Dan-

that, since at least 1982, the auto giant used subsidiaries in Africa and Argentina to channel illicit funds to the dominant Christian Democrats and other parties.

Moreover, the magistrates asserted, Fiat operated a Swiss account in the name of Reno Management to divert unlawful funds to politi-

In its statement, Fiat said its foreign funds were "assets held by foreign companies regularly operating abroad and these fell into the sphere of their normal, autonomous management,

It added: "An international group like Fiat, which is formed of over 1,000 companies (including those that are controlled by Fiat and others in which Fiat is a shareholder), which realizes most of its sales volume (about 97 percent) on the private market, certainly does not have strategies to create illicit relationships

Berlusconi Seeks Damages on La 5

MILAN - Silvio Berlusconi, the Italian businessman, is seeking the equivalent of 800 million French francs (5144 million) in damages from Matra-Hachette, his former partner in La Cing, the French television station that collapsed last year.

Hachette, which held 25 percent of La Cinq, agreed last year to cover losses attributable to Mr. Beriusconi's 25 percent share, said a spokesman for his Fininvest SpA holding company. He said the Italian group was also pressing for unpaid rights on Berlusconi films that were broadcast on La Cinq, adding that the matter was now being sent to Switzerland for arbitration.

Hachette has rejected the demand.

coordinated and centralized with the political

However, it advanced the same argument as some politicians have done to proclaim their innocence — thet everyone else was doing it.

"If a few managers found themselves working in an environment where distorted practices existed in furnishing supplies to the public system, they have had to submit themselves to increasingly pressing conditions imposed by the system of tenders," the statement said.

Fiat's overseas revenue, the company says, is around \$20 billion.

Judicial officials Friday quoted magistrates as saying that payments to politicians "could not have been the fruit of the antonomous initiative of the heads of individual companies without the knowledge of top men."

It was not clear if that was a reference to Mr.

Mattioli - reckoned to be the No. 3 man at Fiat after Managing Director Cesare Romiti and Chairman Gianni Agnelli.

The allegation against Fiat was not the first time investigators have spoken of corporate slush funds. Earlier this month, Gabriele Cagliari, chairman of the state-run energy giant Ente Nazionale Idrocarburi, usually known as ENI, was arrested and told investigators that the corporation used overseas subsidiaries to channel funds to big political parties.

Mr. Cagliari reportedly said the system pre-dated his arrival at ENI in November, 1989. His predecessor, Franco Reviglio, who is now fi-nance minister, has denied knowledge of the illicit payments.

While the investigation has focused principally on businessmen and politicians, it branched this week into foreign aid funds with the arrest of Giuseppe Santoro, the former director of aid to the Third World and Italy's ambassador-designate to two Rome-based United Nations agencies. He is accused of extortion and abuse of power.

The former foreign minister, Gianni De Mi-chelis, is already under investigation for misdoing concerning Italian development aid to Somalia, Sudan and Bangladesh

Airlines Near Merger Decision

By Richard W. Stevenson New York Times Service

LONDON - Scandinavian Airlines System, KLM Royal Dutch Airlines, Swissair and Austrian Air-lines, which have been discussing closer ties, will decide soon whether to merge into a more muscular carri-er capable of surviving in an increasingly competitive industry, company executives said Friday.

Negotiating teams from SAS, KLM, Swissair and Austrian could recommend to their managements as soon as next month whether to proceed with a full-fledged merger or a more limited agreement to tie together their flight schedules and their marketing and maintenance programs, the executives said.

But they denied reports in two Denish newspapers Friday that they forces in a new company in which Austrian Airlines would hold a 10 percent stake and the other carriers 30 percent each.

The four carriers began talks in Airways held talks with KLM January to see whether they could about a merger, but the companies forge an alliance. They said at the were unable to reach an agreement. time that they needed to strengthen their positions against larger Euro-pean carriers and other airlines from around the world. Combined, the airlines would be Europe's fourthlargest carrier, behind British Air-

ways, Air France and Lufthansa. Small and medinm-sized corders are scrambling to remain competitive in Europe as the European Community deregulates its airline industry and moves haltingly to-ward opening itself to unhindered competition from airlines in the United States and other non-European pations.

The largest European carriers are rapidly expanding their global reach through acquisitions and investments in other airlines. British Airways, for example, has pur-chased small carriers in Germany and France, and taken stakes in the USAir Group in the United States-and Qantas in Australia. Air "At this point no decision has France and Lufthansa have also been made," said John A. Herbert, a spokesman in Stockholm for SAS.

German Bid for Pirelli's Conti Stake

HANNOVER, Germany - A group of German companies and banks will offer to buy a 33 percent stake in the tiremaker Continental AG that Pirelli SpA and associates acquired in a failed bid for control two years ago, the German side said Friday. In Milan, the Italian tire and cable maker refused to comment on the proposed, two-part offer,

A consortium of companies organized by the Lower Saxony government will offer to buy a 15 percent Continental stake for 310 million Deutsche marks (\$190 million), the state government said.
Additionally, Deutsche Bank AG plans to buy an 18 percent stake in Continental from Pirelli and

partners and resell it to institutional investors.

The consortium includes Preussen Elektra AG, a subsidiary of Veba AG; Haftpflichtverband der Deutsche Industrie, Versicherungsgruppe Hannover and Norddeutsche Landesbank Girozentrale.

Norddeutsche Landesbank is owned by the state government, so the deal, if it goes through, would give Lower Saxony a stake in a tiremaker to go along with its stake in the automaker Volkswagen AG, headquartered in Wolfsburg.

Financial sources said the consortium's bid would represent a price of between 230 and 240 DM a share. Continental shares firmed 6.60 DM in Frankfurt to close at 217.60 DM on Friday, but slipped back to 214 DM in after-hours trading.

Chill Wind for IBM Blows in Japan, Too

By Andrew Pollack

New York Times Service
TOKYO — Louis V. Gerstner Jr., the new chief of International Business Machines Corp., might soon have one more problem on his hands. In a sign that it can no longer escape the problems that are afflicting its parent company, IBM Japan said Friday that its net income tumbled 45 percent in 1992, its third consecutive decline. Pretax

earnings, hurt by a special restruc-turing charge, plunged 90 percent. IBM Japan's net income fell to 31.21 billion yen (\$267 million), from 56.48 billion yen in 1991. The net income figures were bolstered by a change in the method of accounting for income tax.

Pretax earnings, which have fallen every year since 1988, plummet-ed 90 percent to 10.56 billion yen, hurt by a special charge of 16.21 billion yen for a voluntary retirement program and other restruc-

turing measures. Not counting the special charge, pretax profit was down 74 percent.

Revenue fell 1.4 percent, to 1.255 trillion yen, the second consecutive dealers.

IBM's revenue, has long been one of the biggest money makers for the company, and even now, it is not suffering the losses and huge em-ployment cutbacks that Big Blue is experiencing in the United States

and Europe.
Still, the same moves toward small computers and industrystandard software that have hurt IBM's mainframe computer business in the United States are starting to occur here as well.

At a news conference Priday, Kakutaro Kitashiro, president of IBM Japan, said the company's sales of computer hardware in 1992 fell by a double-digit percentage.

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Dow Jones Averages

Kising Interest Rates Rattle Wall Street

NEW YORK - Wall Street stocks slumped Friday as concern about rising interest rates outweighed evidence of a stronger economy and corporate profits.

"We've seen the low in interest rates and that makes the market a lot more vulnerable," said John Conloo, managing director at Rothschilds Inc.

The Dow Jones industrial average dropped 21.34 points to close at 3,439.98, largely because of a wave

N.Y. Stocks

of computer-driven sell orders dur-ing the last hour of trading.

New York Stock Exchange trading was moderate, as 221.7 million shares changed hands. Declining issues led advancers 8 to 7 on the Big Board, while advancers topped decliners on the Nasdaq by a 5 to 4 margin. The Nasdaq composite in-dex closed 0.54 higher at 681.55.

"People are looking for a place to put their money and they are find-ing it in secondary stocks," said James Andrews, first vice president in charge of institutional trading at Janney Montgomery Scott in Phila-

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Bond prices tumbled after a oewspaper report that the Federal Reserve did not change interest rates this week, indicating the economic recovery was on firm ground. The 30-year U.S. Treasury

bond fell 1 3/32 to yield 6.94 per-

cent, up 9 basis points. Long-term rates "have seen their lows," said Rao Chalasani, chief investment strategist at Kemper Securities in Chicago. "That's obvi-ously a disappointment" for the stock market, he said.

Friday's report on fourth-quarter corporate profits indicated that earnings are improving, analysts said. The Commerce Department said after-tax profits advanced 9.2 percent in the quarter to \$242.6 billion, the largest increase since the 1992 first quarter.

"We're seeing the payoff from five years of corporate restructur-ings," said Hugh Johnson, chief investment strategist at First Albany

Reuters Holding PLC's American depositary receipts traded heavily just before the date of record for the company's oext divi-dend. The iming indicates that dividend-related trading may have boosted activity in the stock, which fell % to 61%.

Merck, which said this week that earnings would grow more slowly than expected, dropped 11/2 at 34.

Northern Telecom stock closed down 4% at 37%. The company said first-quarter earnings would be below 1992's level and analysts' expectations. The company tied the results to high research, development and marketing costs and lower prices in North America.

Yeltsin Gets a Boost, **Knocking Dollar Down**

Bloombere Business News NEW YORK - The dollar rumhled against the mark and other major currencies on Friday as the political prospects of President Boris N. Yeitsin of Russia appeared to hrighten, traders and analysts said. The dollar sank more than a pfennig from Thursday's close, fin-

Foreign Exchange

ishing at 1.6335 Deutsche marks. compared with 1.6430. It fell to 116.575 yen from 117.350 yen, to 1,5133 Swiss frames from 1,5235 and to 5.5540 French francs from state of Hesse rose 4.9 percent in

"We got signs that Yeltsin is not going to be impeached, and that amid signs that British manufac-

Political unrest in Russia often

The Russian congress backed away from impeaching Mr. Yeltsin at an emergency meeting, instead proposing presidential and parlia-mentary elections.

"Yelisin's hand seems to have been strengthened," said Peter Dembinski, senior trader at bank Julius Baer.

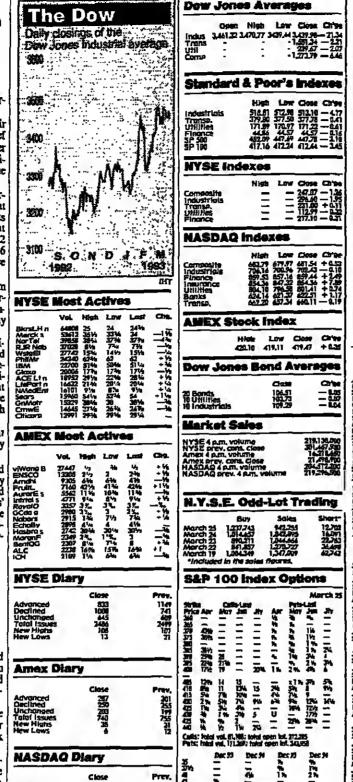
Signs that German inflation remains high also weighed on the dollar, traders said. High German inflation makes the Bundesbank less likely to lower interest rates as fast as expected, they said. The cost of living in the German

5.5855. The pound strengthened to the year to mid-March, while costs rose 4.3 percent in Bavaria.

We got signs that Yeltsin is not Elsewhere, the pound rallied

gave people confidence to buy turing activity is improving. British marks," said Graham Beale, vice manufacturers' backlog of orders president at Midland Bank New hit its highest level in almost three years, the Confederation of British Industry said. In London, the pound rose to

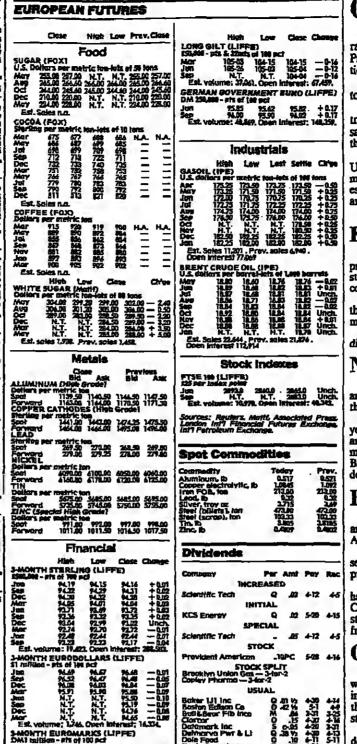
discourages investors from buying In London, the pound rose to marks because Germany is Rus-S1.4905 from \$1.4740 on Thursday. The dollar slid to 1.6319 Deut-sche marks in European trading, from 1.6420, and to 116.35 year from 117.30.



Crédit Lyonnais Retains Ovitz

LOS ANGELES — Crédit Lyonnais SA, smarting from millions of dollars of losses at its MGM film studio, said it had retained Creative Artists Agency Inc. as a consultant.

The French bank said the agency, headed by Michael Ovitz, the most powerful talent broker in Hollywood, would provide advice regarding its current and future entertainment portfolio.



U.S./AT THE CLOSE

Cut in European Rates Urged

WASHINGTON (Combined Dispatches) — Lower European interest rates could spark greater global economic growth, Lawrence Summers, Paris and President Bill Clinton's nominee for Treasury undersecretary for interna-tional affairs, said Friday.

"There is no question, lower interest rates in Europe is where we want to go," Mr. Summers told the Senate Banking Committee.

The international economy is growing much slower than the administration and the state of the state tration would like, and not as fast as economists expected, Mr. Summers said. For the next few years, growth in international demand will be less than the ability of the world to produce goods and services, he noted.

than the ability of the world to produce goods and services, he had that the ability of the world to produce goods and services, he had the Separately, the government said corporate profits rose sharply as the U.S. economy grew at its strongest pace in five years during the final three U.S. economy grew at its strongest pace in five years during the final three months of last year. The Commerce Department slightly revised its months of last year. The Commerce Department slightly revised its months of last year. The Commerce Department slightly revised its months of last year. The Commerce Department slightly revised its months of last year. The Commerce Department slightly revised its months of last year. The Commerce Department slightly revised its months of last year.

Kaiser Aluminum Skips Dividend

HOUSTON (UPI) — Kaiser Aluminum Corp., citing weak worldwide.

Prices, said Friday it would skip its 5-cent-a-share dividend on common stock for the first quarter, the first such quarterly omission since the company's initial public offering in July 1991.

Chairman A. Stephens Hutchcraft Jr. said the decision also would help the company better balance sources and uses of cash "during the diffigult market conditions currently prevailing in the aluminum industry."

Mr. Hutchcraft said that he did not expect the company's board of directors to declare dividends until aluminum markets strengthen.

Nikko's Head Bond Salesman Leaves

NEW YORK (Bloomberg) — Michael Palmieri, senior vice president and head of fixed-income sales at Nikko Securities International, has left

and head of fixed-income sales at Nikho Securities international, has left the firm, a spokeswoman said on Friday.

Mr. Palmieri, who ran the sales department since joining the firm two years ago, left amid a restructuring of the mortgage backed securities area, the spokeswoman, Annette Bronkesh, said. "We're restructuring the mortgage area and it was basically decided he wasn't going to stay," Ms. Bronkesh said. The firm has promoted Robert Knutsen, first vice president, to head mortgage sales, Ms. Bronkesh said.

Daimler Sees Electric Car in 10 Years

NEW YORK (Bloomberg) — Daimler-Benz AG will "definitely" have an electric car on the U.S. market by the year 2003, the head of North American operations for its Mercedes-Benz subsidiary said on Friday.

American operations for its Mercedes-Benz subsidiary said on Friday.

"If there is a major breakthrough in battery technology, maybe we'll see an electric car on the market before then," said Michael Bassermann, president and chief executive of Mercedes-Benz of North America Inc.

Mr. Bassermann said stringent environmental regulations for autos have given the company a sense of urgency to deliver electric cars. In. California, which accounts for 30 percent of Mercedes-Benz's U.S. sales, state legislation requires that 2 percent of an automaker's sales must come from pollution-free vehicles in 1998. from pollution-free vehicles in 1998.

California Bank to Aid Inner Cities

LOS ANGELES (LAT) - First Interstate Bank of California said it would commit \$2 billion — nearly 10 percent of its assets — to lowincome home, business and community loans during the next 10 years in
the most far-reaching program so far by a financial institution to aid the
state's poor and minority communities.

California's third-largest bank also announced changes in the way itdoes business to include more women and minorities, from seeking one

for the board of directors to boosting the amount of business it does with,

The broad scope of First Interstate's program goes beyond commit-ments by Sumitomo Bank of California, which announced a similar \$500. million program in January, and other banks that have sought to counter the criticism that they have ignored poor and minority communities.

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United Press International

"During the past year, we have made considerable progress in our director of the bank. "As we work with our clients to achieve our motus objectives, the experience and expertise of the CAA team will prove

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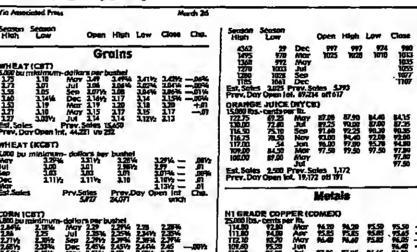
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Belgium Plans Sale Of 49% Bank Stake

BRUSSELS — The Belgian govconnent said Friday that it planned to sell a 49 percent stake in the bank and insurance company Caisse Gén-rale d'Epargne & de Retraite, a first step in a privatization program aimed at raising 25 billion Belgian francs (\$740 million).

Petercam Securities of Brussels will produce an evaluation of the company, known as CGER, by mid-April, a company spokesman said. Talks will then begin with interested parties, and offers must be submitted by the end of June.

CGER's banking and insurance divisions together have assets of all at 2.01 trillion francs (\$59.5 billion). That compares with about 3.35 trillion francs at Belgium's

biggest bank, Générale de Banque. The Belgian insurer AG is interested in buying the CGER stake, La Libre Belgique reported. Full results for the CGER group are not available. But the group reported on Friday that in 1992 the

banking unit, on a nonconsolidated basis, made a 1.554 billion franc net profit, up 2.9 percent, and the insurance unit 1.274 billion, up 42.5 percent The banking unit, CGER-Ban-

que, said interest and commission income rose 15.1 percent to 130.9 illion francs, while income from nvestments was down 1.9 percent to 50.6 billion.

Depreciation and provisions rose 34.9 percent to 6.421 billion

The state-owned bank is paying a 288 million franc guarantee premium to the Belgian treasury and 1.051 billion in remuneration on

CGER-Banque was transformed into a public company in October last year and will pay a first divi-dend totaling 735 million francs. Consolidated net profit for CGER-Banque was 1.592 billion francs in 1992, with the French unit suffering a loss and investment

fund activities contributing a 286 million franc profit, it said. The insurance unit, CGER-Assurance SA, said premium income rose 16.24 percent to 18.0 billion francs. Pretax profit in the life sector was 2.732 billion francs and the vehicle-insurance sector lost 596

million Provisions rose 7.3 percent to

143 billion francs.
(AFX, Bloomberg) Exceptionals Lift Delhaize

Delhaize Frères & Co., the Belgian-based international food-store chain that does business as Le Lion and Food Lion in the United States, reported Friday that net profit, after minority interests, rose 46 percent to 6.382 billion Belgian francs in 1992.

AFP-Extel News reported that: the increase was the result of exceptional gains of 2.525 billion francs from the sale of Delhaize shares held in treasury, and the sale of a Portuguese unit.

Sales rose 5.4 percent to 326.7

EC Targets Aluminum Prices Russian Sales Said to Damage Producers

Compiled by Our Staff From Dispatches BRUSSELS — The EC Commission opened an

investigation Friday of aluminum imports from Russia and other former Soviet republics following a complaint that they were harming producers in the Community.

A commission spokesman said the probe focused on whether prices had dropped as imports entered EC markets; whether imports had surged in a disruptive way, and whether any real harm had

been done to Community producers.

The inquiry, begun by the foreign trade commissioner, Sir Leon Brittan, is allowed under safeguard provisions in EC trade accords with the former Soviet Union, the spokesman said. If real harm is found, the Community can negotiate limits on imports or impose other measures to protect EC

The spokesman said, however, that it was too

early to say what the investigation might find.
"This is an investigation without prejudice to de-termine whether EC industry has been harmed," he said. "The outcome could be a quota, a tariff quota or a tariff."

A commission source said the probe was begun after a complaint by Pechiney SA, a French aluminum producer.

The inquiry also involves aluminum imports from all the republics of the former Soviet Union and Baltic states, the commission spokesman said. The investigation does not presuppose that aluminum exports from Russia and other republics are indeed hurting European business, the spokes-

The announcement is being made because of turbulence on London metal markets and complaints from French and other producers, comm

Adia Posts a Loss, Omits Dividend

LAUSANNE, Switzerland -Adia SA, the temporary-employment agency, said Friday that it swing into the red last year and that it would pay no dividend for

the second year runn Adia said it had a 1992 net loss of 219 million Swiss francs (\$144 million), after a net profit of 24.98 million the previous year.

Consolidated sales were flat at

3.212 billion francs in 1992, compared with 3.217 billion. Total assets at end-1992 were 1.6

billion a year earlier, while net debt - excluding a subordinated 200 million franc loan to be converted into equity — declined to 722 million francs, from 1.6 billion.

Adia said its 1992 net loss was due to operating difficulties in a number of markets, reorganization costs and value adjustments. The company added that it

would propose a capital increase of 250 million Swiss francs to strengthen its financial position.

Adia said early trends for its embillion francs, compared with 2.3 ployment business in 1993 were

mixed, but added that it expected earnings to improve. "With our reorganization and re-

structuring behind us, we look forward to an improved perfor-mance," Adia said, adding, however, that it did not expect any significant upturn in the world economic environment in 1993.

The company said U.S. demand was very strong and that its perfor-mance in Britain, Switzerland and Japan had stabilized. But it said that demand in the Netherlands, France and Germany was weakening.

Adia said the share of its revennes recorded in the United States rose to 32.5 percent in 1992, from 28.7 percent the year before. France's share fell to 22.8 percent

Adia's next biggest market, Brit-in, saw its share of total revenues fall to 7.6 percent from 7.8 percent.

(AFX, Reuters)

Commerz Says Profit On the Rise

FRANKFURT - Commerzbank AG, Germany's third-largest retail bank, said Friday that it had made a stronger-than-expected start to 1993 after posting a record 1992 profit.

The first major German bank to report its 1992 earnings, Commerzbank said total operating profit, which includes own-account trading, rose 20.7 percent to 2.2 billion Deutsche marks (\$1.35 billion) last year, topping 2 billion DM for the first time in the bank's history.

Profit from trading for the bank's own account, resulting largely from foreign-exchange in-come almost doubled to 259 million DM and was a major factor in the earnings increase.

In the first two months of this year, the bank said total operating profit rose a further 10.2 percent from the year-earlier period.

Analysts welcomed Commerzbank's figures, acknowledging the strong growth of the bank's trading on its own account.

Peter Reissner, equity analyst at Bayerische Landesbank, said profits from trading were surprisngly good. I didn't expect that to be quite as high."

A senior analyst at Bayerische Vereinsbank pointed out that Commerzbank at last beefed up its risk provisions for problem loans."

At the end of 1991, the bank ovided for about 60 percent of its 6.2 billion DM of risky loans. In 1992, the ratio was boosted to 75 percent. More than 90 percent of ans to the former Soviet Union are backed by provisions, said Chief Executive Martin Kohlhaussen.

He added that talks were under way for partnerships in all countries with significant trade links to (Bloomberg, Reuters)

Investor's Europe DAX 1,88128 1,887.15 40.25 PAZ 658.64 654.80 49,25 HEX 0,080.48 7,007,45 30.86 Financial Times 30 221460 222140 0.31 Loedon PTSE 100 2,85236 286236 Unon Radrid General Index 237:90 25:10 41:06 Millen MIB 4,88136 1,024:00 40,85 Paris CAC 40 2,855.78 2,601,86 41.22

Very briefly:

 Bic SA, the French pens and consumer-goods manufacturer, said profit for 1992 rose to 374 million francs (\$68 million), from 358 million in 1991, on sales of 5.9 billion francs, up from 5.7 billion.

 TransManche Link, the French-British consortium, sees no need to make 1992 provisions against potential losses stemming from Channel tunnel cost overruns, according to L'Agefi, a French newspaper.

· Euro Disney SCA shares surged in heavy trading on speculation the company would meet its visitors target during its first year, traders said. · Leyland DAF's receivers said their decision to cut output to 200 units per week at the British van maker's plant in Birmingham, England, would mean a 19 percent reduction in the plant's work force.

· SGS-Thouson Microelectronics, the French-Italian semiconductor maker, said its lamos unit had built the fastest single-chip computer, capable of transmitting data equal to "20 bibles" in a single second.

Siemens AG's transport unit won an order from the Portuguese state railway company, CP, to supply another 10 urban trains for Lisbon.

· Asea Brown Boveri AB said it had received an order from Denmark's electric utility, SEAS AS, to supply electricity converter terminals worth about 600 million Swedish kronor (\$78 million). Bloomberg, Reuters, AFX

Carnaud Stock Pursues Slide

PARIS - Shares in CarnaudMetalbox fell sharply Friday for the second consecutive day as speculation continued over the price at which CGIP and Partmance will buy part of MB Caradon's stake in the company, dealers said.

Recent very heavy volumes and extremely volatile moves in CarnaudMetalbox shares may possibly be the result of people using privileged information, they added. "CarnaudMetalbox's share

moves this week cannot be the result of available information or normal market speculation alone," said a dealer. CarnaudMetalbox shares

closed at 207.80 francs

(\$37.40), down 13.20.

Belgian Steel Firm's Future Clouded

BRUSSELS - The Belgian steelmaker, Forges de Clabecq, said Friday that its net loss had narrowed in the first half of its financial year. But the company's future is still in doubt following a plummet in its net asset value to below the share capital.

Clabecq trimmed its net loss in the six months ended Dec. 31, to 802.2 million Belgian francs (\$24 million), from 1.23 billion francs a year earlier.

But by the end of February, the company's net assets dropped to below half of its 3.08 billion franc share capital, Forges de Clabecq said in a statement. Consequently the company has called an extraordinary shareholders' meeting for May 19 to discuss its

The company said profitability was affected by large-scale imports of steel from Eastern Europe and U.S. steel tariffs, which led to a decline in steel prices." Forges de Clabecq also suffered from the collapse of talks with France's Usinor Sacilor. The two companies

had planned to cooperate in making steel plate. Production fell, partly as a result of a three-week strike in November over plans to cut salaries and lay

off 300 people. First-half sales fell to 3.65 billion francs from 5.04 billion.

The company said it expected a 15 percent increase in European steel prices after April and a pick-up in

In Luxembourg, meanwhile, the steelmaker Arbed SA reported a net loss for 1992 of 2.9 billion Luxembourg francs (\$85.8 million), compared with profit of 4.3 billion francs a year earlier.

The company, which is Luxembourg's biggest industrial concern, said sales fell 4.9 percent to 188.5 billion francs, from 198.2 billion in 1991. The drop was due to the large fall in steel prices, Arbed said. Arbed said that its steel output last year fell 12.8

percent to 7.1 million metric tons. The 1992 result includes a charge of 700 million francs for restructuring of nonsteel activities, it added.

Shares in Clabecq swung erratically on the Brussels stock exchange following the report that the company's loss had narrowed. The stock was as high as a gain of 7.1 percent before falling back to 346 francs, up 1.8 percent. But volume was low, amounting to just 4,00 shares, traders said. (AFX, Reuters, Bloomberg)

Swedish GDP Dropped 3.6% in Quarter

STOCKHOLM - Sweden's economy shrank 3.6 percent in the final quarter of 1992, and economists said Friday the nation would be stuck in recession for the third straight year in 1993.

The gross domestic product fell 3.6 percent on a volume basis and by a seasonally adjusted 28 percent compared with the previous three-month period. It was the largest quarterly fall since 1980, a year distorted by strikes and lockouts in which the second-quarter seasonally adjusted GDP fell

The 3.6 percent drop in the 1992 fourth quarter was also the biggest quarterly fall since the burean adopted a new method of calculation in 1980, the Official Bureau of Statistics said.

The full-year decline was 1.7 percent, slightly steeper than drops of 1.5 percent forecast by Skan-dinaviska Enskilda Banken and 1.3 percent by Nordbanken. The GDP contracted by 1.1 percent

SE Banken, Nordbanken and the statistics bureau forecast that the Swedish economy would contract again in 1993, by about 1.5 percent.

Banesto Bid for Urbis Is Worth \$102 Million

MADRID -- Corporación Banesto, the industrial holding company of the banking group Banesto, has made a 12 billion peseta (\$102 million) takeover bid for the real estate developer Urbis, Banesto said Friday.

The Banesto group already holds 36.4 percent of Urbis. The bid is for the total share capital and for subscription rights to a capital increase sought by Urbis.

the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

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Holding Co. For Mining. Refractories and Building Materials

Invitation for Prequalification

In continuation of the ongoing structural adjustment program which the Government of Egypt in cooperation with the IMF has embarked upon, preparations are under way for a major restructuring of three cement companies in the Helwan area south of Cairo. The companies are Tourah Portland Cement Company, Helwan Portland Cement Company and National Cement Company. The Holding Co. for Mining. Refractories and Building Materials invites firms with experience in Operations and Management of Cement Factories to prequalify for providing such services at the three mentioned

companies. Firms that will be prequalified, shall be invited to bid for these services.

The invitation for Prequalification may be purchased from The Holding Co. for Mining, Refractories and Building Materials at its premises, 9 Str. Nr. 9B - Maadi - Cairo for an amount of USD 250,- or the equivalent in Egyptian Pounds.

Submission date of Prequalification Documents by the interested firms is Thursday, April 15, 1993.

Prequalification Documents shall be

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submitted to:
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AX: The Aristocrats of France's State Industry Are Watching Their Necks

(Continued from first finance page) of International Relations. Some Schweitzer of Renault, Jean-Rene will be replaced because they have been there too long or they have not done well. Among these, some may be more threatened than others because of their politics."

Another important factor, some say, will be whether the company is nigh on the new government's list

The executives will be judged on how open and willing they are to restructuring in order to get their companies ready for selling off," said lan Furnivall, analyst with Hoare Govett in Paris.

ecutives of several companies headed for sell-offs are given better- Elf-Aquitaine. Although his man-than-even chances of retaining agement record is positive, he is

their posts. They include Louis Fourtou of Rhône-Poulenc and Jean Peyrelevade of Union des Assurances de Paris.

Among the most likely to lose their jobs in the weeks and months ahead are:

 Jean-Yves Haberer, chairman of Credit Lyonnais. Mr. Haberer is expected to announce disastrous financial results on Monday, reflecting losses stemming from the bank's \$1.3 billion investment in MGM and its commitment to the bankrupt Swiss holding company,

● Loik Le Floch-Prigent, chairman of the oil and chemicals giant President François Mitterrand.

Mr. Le Floch-Prigent came to Elf in 1989, after being fired by the government of Prime Minister Jac-Rhône-Poulenc.

• Rene Thomas, chairman of Banque Nationale de Paris. With the bank high on the list for privatization, Mr. Thomas, nearing retirement age, is expected to be replaced with a younger executive who will inspire the confidence of international investors. Michel Pébereau, credited for turning around Credit Commercial de France, is cited as a top contender. Among those considered vulner-

able are: • Alain Gomez, chairman of

reproached for being too close to Thomson SA. Mr. Gomez is one of the veterans in the state-owned sector, named as head of the consum er-electronics and defense concern by the Socialists in 1982. Though ques Chirac in 1986 as chairman of he has won friends on the conservative side over the years, observers say his authority may be challenged in the months ahead.

• Bernard Pache, chairman of Bull. Mr. Pache, who took the top job at the loss-ridden company last year with no background in computers, faces bleak prospects for turning it around. But like Mr. At-tali, some are betting he could be left in the job despite his political vulnerability. "Bull is hopeless," said Bob Heikes, an electronics in dustry consultant. "A new guy isn'i going to make any difference.

Priday's Prices

NASDAQ prices as of 4 p.m. New York time.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value, it is updated twice a year.

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Japan Industry Lifts Output, Shipments

TOKYO - In another sign that economists said. the worst of Japan's economic slump may be over, the government released data Friday showing that covery," said Robert Alan Feldman, senior economist in the Tokyo bloated manufacturing inventories contracted in February, while pro-

duction and shipments rose.

The Ministry of International Trade and Industry said seasonally adjusted industrial production in February increased 1.9 percent from January. At the same time, inventories fell an adjusted 1.2 percent while shipments rose an adjusted 1.9 percent.

Economists say the data show that a 10.7 trillion yen (\$87 billion)

Chargency government spending package implemented last fall is finally translating into increased demand in Japan.

And while the numbers alone do not signal a full-fledged economic recovery, the news does show eco- al-production data are the latest in a nomic growth will probably re-

bound before the end of the year,

"Basically, we're on a road to rebranch of Salomon Brothers Inc. But not all the news is good. Take Japan's retail industry, which

is facing its worst postwar shump. The trade ministry said Friday that sales by Japan's major retailers fell 5.0 percent in February from Febлиагу 1992.

was the ninth straight month of declines, the longest series on record. Economists point out, however, that the retail industry is one of the last to benefit from a turnaround because consumers keep pinching their yen long after other areas of the economy pick up.

After a steady drone of downbeat news about the Japanese economy over the past two years, the industri-

AT&T Partner To Make Phones For It in China

Bloomberg Business News

HONG KONG -S. Megga International Holdings Ltd., a Hong Kong maker of cordless telephones and fax machines, will produce AT&T telephones, video phones and faxes in Chi-

na, the companies said Friday,

Earlier this month, American Telephone & Telegraph Co. and China's State Planning Commission had signed a memorandum of understanding to build manufacturing plants and cooperate on research and development as China modernizes its telecommunications systems.

Now, AT&T and S. Megga have signed an agreement with China National Posts and Telecommunications Industry Corp. that will open the door for AT&T products in China.

BHP's Profit Moves Ahead

Lower Australian Dollar Boosts Business

Compiled by Our Staff From Dispatche

MELBOURNE — Broken Hill Pty. is in position to earn around I billion Australian dollars (\$707 million) in the year to May 31 after its strong nine-month profit announced on Friday, analysts said. The giant steel, mineral and petroleum company's

profit after tax rose 15 percent to 727,7 million dollars in the nine months to Feb. 28, after a third-quarter profit of 225.9 million dollars. That was up a slight 0.8 percent from the previous year's quarter. Revenue in the latest period rose 13.6 percent to

4.09 billion dollars. Tim Gerard, who follows BHP for Prudential-Bache

Securities (Australia), said the third quarter performance was better than it looked because it included a write-off on petroleum assets and lower-than-expected sales from the Escondida copper mine in Chile.

He is forecasting a full-year net profit of 1.03 billion dollars, compared with 515 million after abnormal items in 1991-92. Another analyst, who asked not to be identified, said he expected a result close to 1 billion dollars as the company's cost-reduction and produc-

port Bank of Japan will provide \$12 million for a port project in Los

Angeles, the Kyodo news agency

The Ministry of Finance has decided to approve the investment by the Ex-Im Bank, whose traditional

business is to finance exports and

Quoting ministry sources, Kyodo said the bank was joining

trading houses, steelmakers and

other Japanese corporations in

sharing 49 percent of the total \$120

million cost of the port project.

tivity improvement program was yielding benefits faster than expected.

BHP's stock rose 18 cents to close at 14.84 dollars, helping lift the All Ordinaries index 15.2 points to 1.675.9. BHP accounts for 12 percent of the market

The company said revenue and profit rose in all three of its major businesses in the third quarter, helped by a lower Australian dollar. It said minerals profit rose 10 percent to 188.7

million dollars due to higher sales volumes of iron ore, manganese ore and thermal coal.

Revenue growth in steel reflected the inclusion of New Zealand Steel, acquired earlier. But the division's net profit rose a "disappointing" 5.6 percent to 39.3 million dollars, burt by higher depreciation charges. Higher revenue in the oil and gas division reflected higher volumes of both oil and liquefied natural gas

sold, and higher prices for refined products, BHP said. The division's net profit rose 27.8 percent to 106.1 million dollars. (Reuters, AFX, Bloomberg)

China Wants Hong Kong Japan Eximbank Joins L.A. Project To Finish Airport by '97 Agence France-Presse TOKYO — In unprecedented investment abroad, the Export-Im-

HONG KONG — China's top official for Hong Kong affairs, Lu Ping, said Friday that Beijing hoped the colony's planned new airport could be built before 1997 when the Chinese resume sover-

eignty, a Beijing-controlled newspaper reported.

Mr. Lu, head of the Hong Kong and Macao Affairs Office, also said he believed it would be possible for Britain and China to hold routine talks in their Joint Liaison Group despite the bitter dispute

over Governor Chris Patten's proposals for democratic reform, the New Evening Post said. His conciliatory remarks on the airport — whose future has been

were the latest in a barrage of contradictory signals from Beijing. plotting rebellion, but Hong Kong's roller-coaster stock market instead chose to put faith in Mr. Lu, and prices rose.



Merrill Lynch International Inc. opened a representative office in

Shanghai, the first U.S. securities firm to do so; its manager will be Zhang

Liping, a vice president of Hong Kong-based Merrill Lynch Asia Pacific.

ABN AMRO Holding NV won permission to upgrade its representative office in Shanghai to a full branch.

Very briefly:

cast into doubt by China's opposition to plans for its financing -Beijing's official media on Friday also accused Mr. Patten of

United Overseas Bank's group net profit for calendar 1992 rose 15 percent to 300.8 million Singapore dollars (\$182.3 million).

 Otis Elevator Co., a unit of United Technologies Corp., signed an agreement for its a fourth joint venture in China, to be based in Shanghai's Pudong development zone. • China International Trust & Investment Corp. has won Beijing's approval to develop Daxie Island, off the central coast, into a foreign trade hub.

Renters, AFP, Bloomberg, Knight-Ridder, AF

H.K. Developer's Earnings Expand

HONG KONG - Sun Hung Kai Properties, one of

Hong Kong's largest real estate developers, said Friday that its half-year profit rose 21.2 percent on a strong performance by investment properties.

The company, which selfs and leases space in huxury commercial and residential office towers, said its profit after tax and payments to outside interests rose to 3.24 billion (\$415 million) in the six months ended Dec. 31 from 2.67 billion in the year-earlier period.

Revenue rose 27.4 percent to 7.02 billion. But real estate sales generated by the company, either as princi-pal or agent, fell to 1.69 billion dollars from 2.22 billion. Helena Coles, an analyst at SBCI Finance Asia. She

122.47

thinks Sun Hung Kai will have end-of-the-year profit of around 6.5 billion to 6.8 billion dollars.

The Chinese-British dispute over Hong Kong's political reform and a limit by banks on home mortgage financing to 70 percent put a damper on the first balf's results, the company said.

But the territory's healthy economy and rapid growth in trade between China and Hong Kong will eventually be a boon for the housing market, it said.

Sun Hung Kai owns 12.8 million square feet (1.19 million square meters) of completed investment properties in the territory. The company plans to increase its portfolio to 16 million square feet within four years.

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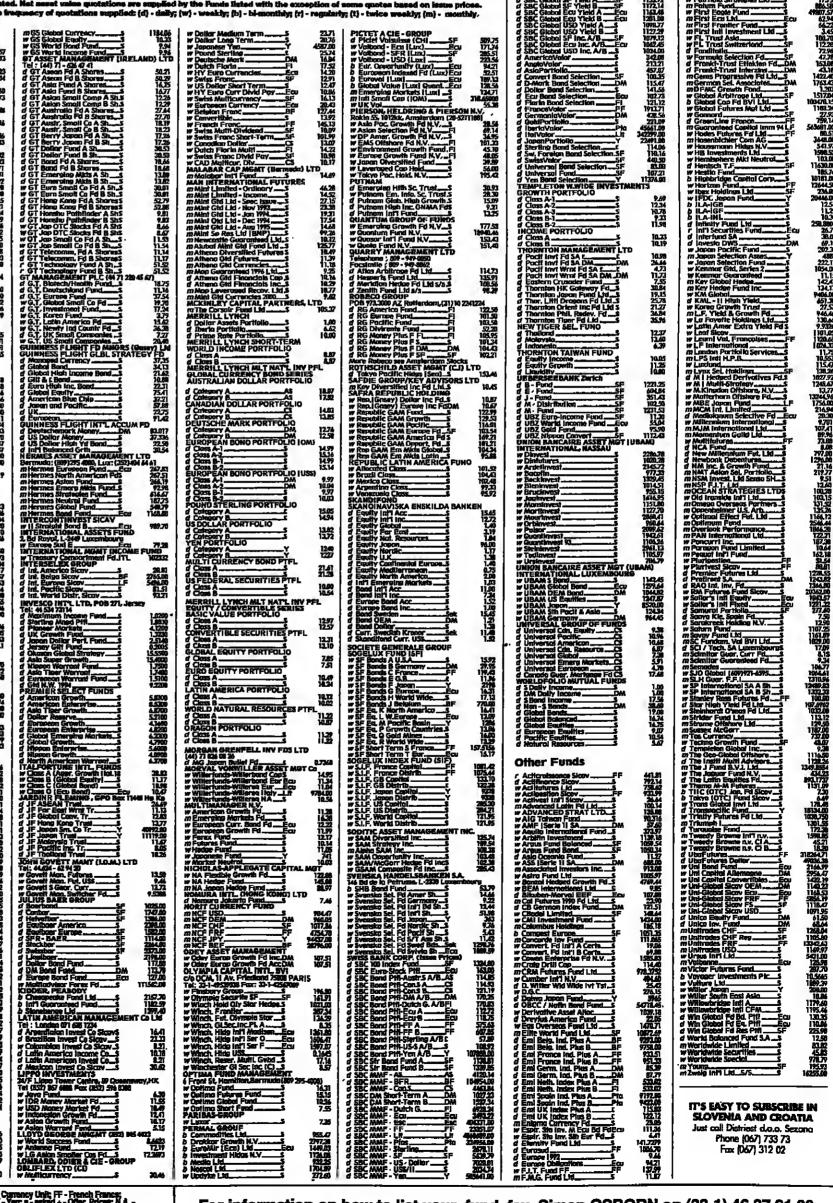
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Castaways: **An Island in Sea of Taxes**

OMENTOUS times in Luxem bourg. Deutsche Bank's Luxembourg arm announced a modest increase in profit this week and declared the intention of paying a dividend to the main bank for the first time. Perhaps, you might think, that passes for a matter of consequence in what is the EC's equivalent of a one-horse town.

But the healthy profit of 329 million Deutsche marks (\$205 million), up 6.9 percent from last year's figure, and most of all the dramatic increase in total assets, up 22 percent to 41.7 billion marks, have a wider significance than just boosting the status of another big German bank in Luxembourg.

What makes those figures interesting are the forces that generated them. The Luxen-bourg arm of Deutsche Bank experienced a massive increase in capital flow, much of it from Germany, and much of that from cli-ents of the parent bank. Why? Because a new domestic investment law was passed in Germany during the year, and suddenly inves-tors saw the benefits of funds domiciled in a state that does not levy withholding tax.

That tells us two things, one about Europe and one about Luxembourg's place within the European Community.

The enactment of investment tax laws is part of the process of harmonization of fi-nancial services and structures within the Community. By passing such laws the Germans are bringing a united Europe one very small step closer.

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Unfortunately, Luxembourg's role in this little scenario can hardly be said to promote pan-European harmony. Luxembourg. somewhat bizarrely for a landlocked country, is generally designated an offshore loca-tion. In other words, if there were such a thing as a financial map of Europe, Luxembourg would be floating right in the middle of a sea of heavily taxed countries.

And the spiritual truth preached by John Donne applies, in this instance, to tax havens just as to human beings. Neither may be an island, especially if the would-be island is a small tax haven surrounded by bigger neighbors all losing investment business

But Luxembourg's tax privileges are a tradition, say its supporters. It's a good bet the Germans regard that tradition as an

In New York, a Rebound for Life at the Top

By Judith Rehak

EW YORK City's battered resideutial real estate market is showing signs of life — for real, this time. But the revival is confined to the largest, most finely appointed apartments at Manhattan's best addresses.

The average price last year of an 8- to 14room apartment on Fifth Avenue increased 8.5 percent, to almost \$3 million from \$2.75 million in 1991, according to a survey conducted by the Corcoran Group, a residential brokerage. Even so, Barbara Corcoran, the group's president, remains cautious. "Those prices only went up in the last six months," she said. "Before that, prices of all apartments were consistently on a slide."

After several false starts, any increase at all is welcome relief to brokers and sellers. Depending on whose statistics you look at,

Real estate brokers can thank a banner year on Wall Street in 1992 for sending them new buyers in the upscale market.

overall apartment prices in Manhattan have plunged from 27.5 to 36 percent since 1988. Brokers attribute the current upturn in large, luxury apartments to growing demand and diminishing supply, "There just isn't any new product coming onto the market," said Alan Rogers, managing director of Douglas Elliman, a Manhattan brokerage. He noted that his firm has 20 percent less inventory than at this time last year.

"We wish we had more large apartments to sell, " added Betsy Dean, a senior vice president of Stribling & Associates, a residential brokerage. Last month, Stribling sold a 10-room apartment on Park Avenue in only 10 days for \$2.75 million. "That tells us the buyers are there," Ms. Dean said. "Two years ago, that apartment probably would bave gone for S2.5 million or \$2.6 million." Brokers can also thank a banner year on Wall Street in 1992 — million-dollar-plus bonuses were not uncommon — for sending them new buyers in the upscale market, Mr.

Rogers said. About 85 percent of New York City's owned apartments are cooperatives. They are owned through shares in a private corporation and run by boards of residents, who M.B. screen and approve prospective buyers.

Prices of co-ops can vary significantly, even at the tiny high end of the market, depending on addresses, views and such frills as woodon addresses, views and such littles as wood-burning fireplaces. For example, Douglas Elliman recently sold a three-bedroom apartment on Park Avenue with a formal dining room and library at a price in the "mid-\$800,000s"; at the same time, a similar, but smaller, two-bedroom residence on Fifth Avenue fetched in the "high \$800,000s." The difference? A Central Park view and a Fifth Avenue address.

One of the most buoyant segments of Manhattan's high-end market are luxury condominiums. Condos account for only about 15 percent of the city's owned apartments, and only a handful are in the huxury category. Sales are largely driven by foreign buyers: One brokerage reports 95 percent of its clients are from overseas, mainly Hong Kong and Taiwan. Many are said to favor the condominium towers built by the real estate magnate Donald Trump. A year and a state magnate bound it is a state of the half ago, as co-op prices were still decliming, one buyer paid \$2 million for a four-and-a-half room apartment at Trump Tower. "New York has soured on the Trimp name, but overseas it's like the Good Housekeeping seal of approval," said one realtor who in-

sisted on anonymity.

Mr. Rogers of Douglas Elliman said that Mr. Rogers of Douglas Eliman said that his firm's condominium sales are split 50-50 between New Yorkers and foreign buyers. Of the overseas contingent, "South Americans are among our best clients. The Japanese used to be, but you hardly see them any more," he observed. Flight capital also drives the high-end condo market. Several brokers reported a recent surge in buyers from Italy seeking refuge from that country's political chaos.

Luxury condos run 15 to 20 percent higher than co-ops, but there are compelling rea-sons for their popularity. Many foreigners buy them as an investment and lease them out or purchase them in a corporate name, practices that are taboo in coops; nor are condo buyers required to bare every detail of their finances to a board, as they are in coops. "Many foreign buyers think the co-op concept is absurd, and a lot of U.S. buyers don't want to go through the hassle of a board approval either," said one realtor. One new luxury condominium at Fifth Avenue and 86th Street has a mix of buyers.

"Sixty percent are New Yorkers," said Jack Heller, principal of Heller MacCauley Equi-ties, the building's developer. "The rest are from abroad, but the foreigners buying in our building are living there." He is promoting such amenities as high ceilings and mabogany-paneled libraries; apartments on higher floors with a view of Central Park are commanding prices of \$1,000 and more per square foot, he said.

Even at those prices, Manhartan's luxury apartments look like a bargain compared with some foreign capitals. Ms. Corcoran's statistics show that at an average \$5,690 per square meter for a Manhartan luxury apartment, New York ranks sixth behind Monte Carlo, Paris, Tokyo, London and Zurich, where prices ranged from \$12,903 down to

\$6,125 last year. S6,125 last year.

Brokers are in hopes that the revival of prices in New York City's big, crème de la crème apartments will gradually filter down to smaller units. But will the overall market ever reach the heights of precrash 1988? "Perhaps in five years," ventured Mr. Rogers, noting that the market had failen about 30 percent and 6 percent a very appropriate of the property and a percent a percent and a percent a percent a percent a percent and a percent a 30 percent and a 6 percent a year appreciation is not unreasonable. Then he added, But you need a crystal ball for that."

That Penthouse View The world's most expensive prime residential real estate (\$ per square foot per year) \$1,000->

In Paris, a Broad and Lingering Slump

By Philip Crawford

EW YORK'S post areas may be picking up, but the news from the other side of the Atlan-tic is not so good. The value of residential property in Paris coo-tinues to crode, real estate analysts say, as backlash from the inflated price levels of the late 1980s remains potent. Commercial property in the French capital is also mired in a prolonged slump.

But the length of the slide in both markets has caused investors and home buyers alike to wonder whether the down cycle has at last reached bottom. Is now the time to buy? Professional opinion varies. The free-fall in Paris apartment

prices since the turn of the decade is slowing, experts say, but there are few signs of actual recovery. The cost of vacant apartment space has fallen 11.2 percent in 1992, to an average of 19,551 francs (about \$3,500) per square meter, accord-ing to the Chambre des Notaires of Paris.

The steepest slides, of about 20 percent, were seen in the first arrondissement, a district where space now goes for about 20,400 francs per square meter, and in the fashionable 16th arrondissement, where prices are hovering around 25,400 francs per square meter. Moreover, the volume of Paris real estate sales

in 1992 (about 24,000 transactions) was down 11 percent from 1991 and 35 percent from 1990. A year ago, analysts were citing the fallout from Gulf War-induced market paralysis, as well as the emergence of a unified Germany as reasons for the Paris slump. Now they are blaming the lingering Eu-ropean recession and the crisis of

consumer confidence that has "People have lost confidence in doing a deal," said Richard McGil-lycuddy, a negotiator at the Philip Hawkes agency, a Paris realtor specializing in upscale residential properties. It's very difficult to get anything finalized. Things certain-

ly are not on an upturn yet."

Donelle Higher of Sotheby's which deals in the highest end of the Paris market, said there was always someone who could afford an exceptional property. But gener-

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all part of the picture," she said. "People are saying to themselves Why buy now? Let's wait and rent for a while." Until the economy improves, no one wants to tie up everything they have in an apart-ment. They want to keep some cash. And I don't think we've seen

the bottom yet. Many real estate agents in Paris blame speculators - those who buy apartments with the sole intention of reselling them quickly at a higher and higher until people fi-nally said: 'Hold on. This is crazy.' What's happening now is directly

related to those days." Pressures on the French franc over the past six months have made Paris real estate more attractive to foreigners, experts say. But studies show that the vast majority of apartments in the city are still bought and sold by French citizens. Moreover, French buyers often put 25 to 50 percent down on a property, in con-

Residential Paris

ally, she added, buyers have been scarcer in the past year than during the previous one. "Job insecurity and general economic worries are "The French don't overextend for what has happened," said Da-

are still hesitant to buy. Frank Cluck, director of Century 21 France, the international realty concern, said that he felt an uptura

was in the air. "The residential market has bottomed out," he said. "There was els of the '80s that precipitated today's shump, "Apartments were being dealt like stock shares," said
Mr. McGillycuddy. "Prices got they may within a course of stackens and they may within a course of stackens that for growth in rental in
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in the stackens of the s In my opinion, if you're looking to buy in Paris, now is the time."

Commercial real estate in Paris prevailing analyst opinion is that things will get worse before they get better. Some experts say that topquality commercial space has lost as much as 40 percent of its value over the past 18 months. Major French banks — notably Compag-nie de Sucz — have been hit hard

themselves on mortgages," Ms. Hig-bee said. "So they're rarely in a position where they have to sell."

The word of the position where they have to sell."

The word of the position where they have to sell."

The word of the position where they have to sell." But not all experts believe that lower demand, and an increase in the plunge in Paris prices will con-the capitalization rate. And with time or that the bulk of consumers the economy in the state it's in now, one can't help but think reats will drift further-down over the next

Much like a bond yield, the capitalization rate is the return that a property buyer receives on capital invested, based on fixed rental income. As the value of a building falls because of slackening poten-tial for growth in rental income, the

Robert Waterland, president of Jones Lang Wootton France, a global realty brokerage, took a more extreme view: "I don't think has also taken a beating since 1990. rents will bottom out until the end And, as in the residential sector, the of 1995, and then we may see a modest recovery in 1996. Prime space has already dropped from about 4,500 francs per square meter in early 1990, to around 3,600 now. I'm not saying exactly where I think the floor will be, other than it will be somewhere north of 3,000."

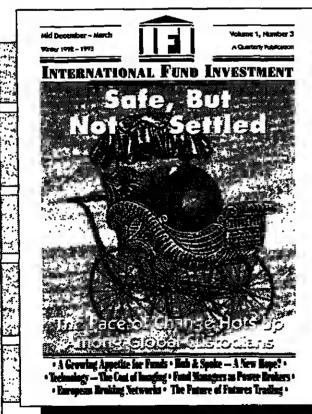
Mr. Waterland said that oversupply already existed in virtually every category of commercial space in Paris, and that more new space would gitt the market by the end of the year. With so many companies hurting, he added, the timing couldn't be worse. "A lot of businesses are suffering through tight cash flow and low profitability," he said. "And they're reducing not only staff, but space as well."

Most analysts agree that a significant reduction in interest rates holds a major key for the overall recovery of the Paris real estate market. "An interest-rate cut and an upturn in growth would make it ier to borrow, and companies might be able to expand again," said Mr. Robinson. "It's not that people aren't renting - they are. But they're just taking advantage of the lower prices and moving to bet-ter quality space. The demand is not driven by expansion."

Mr. Waterland added that a per-

functory rate cut would not be sufficient to turn the market around. "It's got to be a substantial move," he said, "or it just won't work."

THE CENTRAL SOURCE ON FUND INVESTMENT



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To magazine of this quality is long oversion." Roger P. Mailleus, Majaging Patrier, Corptrale Services, Roger (rus)

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I.F.I. is the one and only publication devoted to providing unbiased coverage of this fast developing sector of the financial world.

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Lehman Brothers Launches Offshore 'Fund of Funds' Lehman Brothers International is adding

to its stable of offshore funds with the recent launching of the Global Advisers Portfolio NV, a closed end "fund of funds" that will ntilize at least six separate investment advisers and pursue a wide range of objectives.

Domiciled in the Netherlands Antilles, the fund will be managed by Tremont (Bermuda) Ltd., an investment management firm specializing in the overseeing of multiman-ager endeavors. Tremont has selected the six initial subfunds and advisers and will moni-

> scenarios dictate. The fund requires a minimum investment of \$25,000 and is open to both retail and institutional investors who are not residents or citizens of the United States or the Netherlands Antilles. Since its initial offering last

tor performance with an eye toward chang-ing advisers or asset allocation as market

audience. With about \$18 million under management in the fund already, Lehman has set a goal of \$75 million by February 1994. Initially, the heaviest asset allocation (27 percent) will go to the Omega Overseas Partners Ltd. Il fund, managed by Leon Cooperman, former chief executive at Goldman Sachs Asset Management and founder of Omega. Domiciled in the Cayman Islands, the Omega fund will invest in equities, bonds, futures or currencies as the market

month, the fund is seeking a wider investment

suggests, Lehman says, "Mr. Cooperman will act on both under- and overvalued situations, and as a result, his fund may hold both long and short positions," said a spokesman

Second-ranked in asset allocation for the portfolio (at 20 percent) will be a segregated account managed by IFM Asset Management of London. The IFM strategy will involve extensive use of derivatives, says

The remainder of the assets are to be managed in even slices by four other advisors: Soros Fund Management, F.W. Thompson & Co., the Gabelli Group and Americado Investment Advisors (U.K.). Lehman Brothers' offshore fund complex,

begun four years ago, now consists of 22 funds containing total assets of \$1.7 billion. For more information about the Global Advisers Portfolio, call Francis Sherry at Lehman Brothers International in London (44-71) 260-2975.

A Money-Back Guarantee

On Citibank's Stock CDs Citibank plans to introduce a stock market-linked certificate of deposit for retirement accounts next week, according to a report in The New York Times. The intention is apparently to attract customers dis-couraged by low U.S. interest rates. The five-year CD guarantees depositors

turned even if the stock market fails over five years. If the market goes up, the account will pay interest that is just shy of the return of the Standard & Poor's 500 Index. The minimann deposit for the CD will be \$10,000.

Sterling-Denominated Fund **Gives Deferred Tax Liability**

A new offshore sterling-denominated fund investing in fixed-interest securities is being launched by CMI, the international arm of Clerical Medical Investment Group, a U.K. investment firm Demicilad in the a U.K. investment firm. Domiciled in the Isle of Man, the fund seeks to provide a high return before tax from a portfolio of securities, principally comprising U.K. govern-ment bonds, sterling debt guaranteed by

other governments and by major corpora-tions, plus high-yielding short-term notes.

The income will not be subject to withholding tax and will not be distributed to investors. In this way, investors will be able to defer tax liability, argues the company.

"No assessment to income tax is made until
the year in which the shares are redeemed," said CMI's deputy chief executive, Rick

May.

Minimum investment in the fund is £500

Minimum investment in the fund is £500 (\$750) or the equivalent in major currencies. Charges are 5 percent initially and 0.875 percent annually. The offer period, during which CMI will marginally reduce its charges cares from languably reduce its The five-year CD guarantees depositors charges, runs from launch on March 31 that their principal investment will be re- through April 30:

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THE MONEY REPORT

Tax 'Sacrifice' for Other Nationals Too?

Paris office of HSD Ernst & Young explained the possible effect of Presi ent Bill Clinton's tax "sacrifices" for typical midlevel executives of French and German nationalities working in the United States. In this, the second of two articles, he examines the possible outcome for nationals of South Korea and Singapore.

By Jack Anderson

pleasantly surprised at implications of the U.S. tax proposals. Will the Asians feel the same? From looking by at the top income tax rates, South Korea at 50 percent and Singapore at 33 percent, Asian nationals might expect to do reasonably well — although the proposed top U.S. rate of 36 percent will not please the Singapore national However, U.S. social taxes will provide both with food for thought.

Jong Lee is 40 years old, single, a vice president of a South Korean multinational corporation. He has just learned that his company wants him to go to Texas, to oversee operations on a new semiconductor plant that its U.S. subsidiary is building. He is happy to learn that Texas has no state income tax. Mr. Jong will travel to the company's various construction sites around Asia before arriving in the United States in July.

Mr. Jong's annual salary in Korea is \$85,000 (68 million won). He also has the use of a tax-free company car and driver worth an additional \$15,000. His current Korean income tax is \$24,000 for an average rate of 24 percent and a top rate of 50 percent. His Korean National Welfare Pension Plan contribution is only \$1,700.

However, Mr. Jong determined that his U.S. tax on the same amount of income will be \$25,000 for an average income tax rate of 25 percent and a top rate of 31 percent. His U.S. Social Security contribution toward pension benefits will be \$5.500. There is no Totalizatioo Agreement between South Korea and the United States to allow Mr. Jong to continue under the Korean pension system. It is unlikely that he will receive any future benefit from the U.S. system as he will not meet the minimum work requirement to be eligible: 40 cal-

Thus Mr. Jong's net income and benefits in the United States, after income and social taxes, decreases from \$74,300 to \$69,500, or almost

\$5,000. The Korean company has agreed to provide him a special package that he thinks will make him whole. In the United States, Mr. Jong is going to receive annual gross compensation of \$100,000, a car (but no driver) costing about \$15,000 and an allowance of \$20,000 a year for accommodations. The company car will be tax-able in the United States as will the

Since all of Mr. Jong's Korean income tax is paid via withholding by his employer, he does not need to file a year-end return for South Korean tax purposes. But be does need to notify his local government office of his change of address. He will qualify as a nonresident of Korea during his assignment and will not be subject to Korean taxes on his U.S. carnings.

Instead of giving him \$15,000 cash to purchase a car, which would be fully taxable upon receipt, the company should consider leasing him a car; if proper docu-mentation is maintained of business use of the car, only a portion of the lease value will be taxable.

The company Mr. Jong works for will not provide him any U.S. tax-filing assistance or provide a reimbursement if he pays more tax in the United States than be would have paid in South Korea. But his company is thinking of paying him his three years' worth of fiving ac- ing a home in South Korea in the commodations before he arrives in

California

Florida

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Michigan

Tax Rates State-by-State

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none | Ohio

3.00 Texas

Washington

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Source: rISD Ernst & Young	Signature (description)

This may not be wise since his South Korean marginal tax rate is 50 percent and the United States may tax this amount to Mr. Jong in any case if it is charged back to the U.S. company or is related to U.S.

Because of higher appreciation rates in Korean stocks, be will continne to hold his stock investments there. He will incur tax on any dividends in both the United Stat and Korea since the U.S.-South Korea tax treaty allows interest and dividends to be taxed in both countries. But Mr. Jong will be entitled to claim a foreign tax credit on his U.S. return for the taxes paid in Korea on investment income. He intends to continue to donate to his church in Korea. But to be deductible for U.S. tax purposes

whether his church has a qualifying U.S. affiliate that can receive his donation. Mr. Jong is thinking of purchas-ing a home in the United States, since he knows his chances of buy-

6.90

the donation has to be an approved

U.S. charity. He should investigate

the United States to avoid U.S. tax. small apartment would be \$500,000 to \$1 million in Seoul). If be purchases a home in the United States and decides to sell it upon his return home, he should be aware that he will have to pay tax on any capital gains from the sale. He spent a lot of time negotiating

his special deal and hopes the company will develop a more sophisti cated approach to transfers so be will know exactly where be stands. Now a more difficult transfer, from Singapore. Richard Tan is a Singaporean in

his mid-30s taking part in the expansion of Singaporean companies operating in the United States by accepting a three-year assignment to work in his company's subsid-iary in California. While be and his wife, Nancy, are looking forward to new experiences, they are con-cerned about the financial and tax aspects of the transfer as well as hooling for their two children. Mr. Tan's employer has put together a comprehensive compensation package to ease the financial and tax concerns and has agreed to pay for appropriate schooling. His assignment will begin Aug. 1, 1993.

Several years ago, another em-ployee worked in the United States for seven months. Because this employee received all of his pay in ingapore, he ended up paying most of his compensation in taxes full Singapore income tax, U.S. and California income tax. The company helped cover these costs but that experience brought home the oeed to carefully review U.S. and Singapore tax planning and company policy before the start of an assign-

Mr. Tan's annual salary in Sin-gapore is \$85,000 (140,000 Singapore dollars). His current income tax is \$15,000 for an average income tax rate of 18 percent and a top rate of 26 percent. There is no pension withholding in Singapore

plan to which he makes a Singapore tax-deductible contribution of \$10,000 per year and his employer makes a similar contribution for his benefit. The contributions and accumulated income can be withdrawn at retirement tax-free in Sin-Mr. Tan determined that when

he becomes a U.S. resident, the U.S. and California tax on the same amual base salary will be \$20,000 for an average rate of 24 percent and a top combined rate of more than 37 percent. Also, his U.S. Social Security will be \$5,000 per year and he is concerned that he will receive no benefits from this system as be will not stay in the U.S. until retirement. Furthermore, if be makes any contributions to the Central Provident Fund in Singa-pore they will oot be tax deductible in the United States and any contributions by his Singapore parent company for his account will be additional taxable income to him in the United States. The income earned during his U.S. residency on previous contributions to the fund will be additional taxable income to him in the United States.

From his point of view, going to the United States will cause his net after tax assets to decrease by more than \$10,000 per year. The parent company in Singapore agrees with his calculations, but does not want to get involved with "tax-equalization policies" and thinks this American system of expatriation policy is too complicated for the company. After long discussions, the Tans decided the long-term career benefits of the assignment out-weigh the short-term financial loss, but they will continue to discuss this with the personnel director and president of the U.S. subsidiary (who is also Singaporean, but got a "special deal" from the president of the parent company).

There are more tax questions. Mr. Tan will be renting out his Singapore home while overseas, and net rental income (after deductions) is estimated to be \$10,000 per annum. Also, he has \$50,000 in time deposit in a Singapore bank and be oeeds to decide how to invest this money during the assign-

For Singapore tax purposes, a resident individual is hable for tax on all income derived from or acand no Totalization Agreement cruing in Singapore and all income with the United States. But there is derived elsewhere and received in

initial Langth Management Length Can You Braw a Setary in the U.S.? of Stay Usually grented for 3 to 6 months Visitor for business H-18 -Up to 3 years Specially occupation H-28 Length of stay cannot be extended for more Up to 1 year Temporary worker then 3 consecutive years Up to 2 years 2 years rainee 6-1/E-2 Unimited extension # for 5 years Treaty Trade? in increments of 1 year if treaty business confinites to operate 7 years for manager and executive, 5 years for specialized knowledge amployee Yes intra-company transferse years (18 months Yes. *4 to 5 years Exchange visitor After 8 years student must justify further Yes, on campus, in practical training, and in Academic straten pilot program Based on normal Depends on vocational Non-academic fength of stay

U.S. Work Permits For Foreign Nationals

Source: HSD Ernst & Young

nonresident is liable for tax only on Singapore source income.

ingaporeans working overseas had been treated as residents in Singapore unless their periods of overseas work covered a full calendar year. The recent 1993 budget has announced that Singaporeans can now choose to be assessed as conresidents for tax purposes if they have worked overseas for at least six months in any calendar

The advantage for the Tans of being assessed as conresidents is that foreign income earned abroad can be received freely in Singapore without causing any Singapore tax liability. The disadvantage would be that Singapore investment income, rents or interest, for example, will be taxed at the nonresident tax rate, which is currently 27 per-

For U.S. tax purposes the Tans can be considered nonresidents during 1993 as they will not have been present in the United States for more than 183 days. As nonresidents they will be taxed only on compensation for services performed in the United States and not on the Singapore rental or interest income.

The Tans should choose to be treated as Singapore residents for 1993. They will then be taxed at the pensation from Singaporean tax. he should be paid by the California subsidiary and not remit any portion of it to Singapore.

To generate some tax savings,

they should also consider moving their \$50,000 bank time deposit outside Singapore. As long as they do not remit any interest from the account into Singapore, it will not be taxable. For U.S. tax purposes, interest from bank time deposits is nontaxable for nonresidents, even if the bank holding the time deposit is American. This interest could therefore escape tax altogether for five months of 1993. Other economic factors such as rate of inter-States. Of course, very high-baseest, security of investment and currency-exchange issues should be efit from the transfer to the United considered in addition to the po- States. tential tax savings before moving

If the Tans remain in the United States for all of 1994, they will then and personnel directors can anticibe classified as U.S. residents and subject to tax on their worldwide income including the Singaporean rental income and the bank time first paycheck (after U.S. and state deposit interest. Tax-planning opportunities similar to the ones discussed for 1993, the year of the with his impleasant surprise. transfer, may also be available in

the year they return to Singapore. The oegotiations have only

many foreign nationals and more often to their companies. President Clinton's tax sacrifice will increase this unpleasant surprise. As shown in the illustration, the Asian executives suffered an income tax increase on their home-country base compensation (before considering any expatriate benefits) in transfer ring to the United States. Although last week, we saw that Europeans had a social tax decrease, that did not more than offset the income tax increase. The Asians had a socialtax increases coming to the United

The conclusion is surprising to

There is no happy ending. But with this information, foreign nationals going to the United States pate the problems and seek solu-tions — before the employee goes to the United States, receives his income and Social Security tax withholding) and calls back home

Sections of this article and last week's were prepared by the following Ernst & Young personnel: Karin reached an interim stage for the Skiba and Mary Hinds in Frank-Tans. Mr. Tan will continue with furt; David Klingsberg in Paris; Jathe U.S. personnel director to try to net Troxell in Seoul, and Greg Delower Singapore rates on the rental income. To protect Mr. Tan's com- age the mobility of the company's Shaw of Marks & Murase New

The Winners, the Losers and the Near Misses: Reliving a Year's Investment Calls

After a year of comment and analysis; the outgoing panel of Outlook the German equity market has risinvestment experts looks back at the investment experts looks back at the calls that were right -and wrong -



Gerald Holtham, chief international economist, Lehman Brothers, London

You win some, you lose a few. The victories of the past year: Baying U.S. Treasury bonds last April; hedging the dollar into Enropezn currencies until October then switching back into dollars; betting on Japanese interest rates and bond yields to fall from last March on; moving into German and French equities at the beginning of 1993.

The losses: Buying put options on the yen back last March, expecting the currency to slide along with Japanese interest rates — the puts would have expired useless as the yen rose through the year; holding the Canadian bond market since last July — it has gone nowhere, yielding a steady 7.5 percent but underperforming other markets.

The misses: The most obvious miss was the U.K. equity market, which has risen more than 16 per cent in the past year with a divi-dend yield of 4 percent. I also avoided the European bond markets, which have done well in recent months - never mind, for the year as a whole they have underperformed the United States and Japan (though not Canada), as predicted, and all world bond markets have done quite well lately.

U.S. 10-year notes were yielding 7.5 percent last April; now they yield 6 percent. A total return on a year would be about 17 percent.
The currency plays would have added more than 15 percent to that.

Diluting the holding with Canadian bonds in July would have reduced those gains. Japanese bond holdings would have made even larger capital gains but the interest rate futures I recommended might have been less successful; I expected Japanese short rates, 5.5 percent last March, to be at 4 percent by midsummer. In fact they reached 4.5 percent; it was fall before they crossed the 4 percent barrier and are now at 3.2 Right idea but the timing was not perfect and the yen currency bedge (put options) would

modest: 10 percent in Germany and 2.5 percent in France. Those are still more than respectable when annualized. That would have has been only a small movement in the dollar this year.

Essentially the U.S. bonds were recommended on the ground that the markets had not priced in lower U.S. inflation and were too concerned about a cyclical upswing. Neither of these things is true any-more, and the time has come to take profits. The Canadian market was bought in the hope that various political problems would blow over, but this did not happen and currency weakness harmed the market. A mistake, but bygones are bygones and I now prefer Canada to the United States.

Falling Japanese rates were easy to predict on the basis of the very weak economy that officials were vainly trying to talk up. However, investors were more impressed than me by the Japanese currentaccount surplus and the evident de

France looks the best of the big European bond markets.

sire of the politicians for a firmer yen. I do not believe the yen has much more upside, but now that Japanese rates are nearing their trough, it is harder to argue that it has a big downside either.

I avoided equities during 1992 on the grounds of the weakness of economies and earnings, underestimating the effect on the British market, in particular, of lower interest rates and the liquidity factor, which was also powerful in the United States. Both markets still have support, but 1 suspect they have both had their best runs too. I expected the European markets to move up at the new year on expectations of lower rates, now finally being fulfilled. They have made progress but now have earnings disappointments to negotiate. Still I would hang on. Look at the Netherlands, a big underperformer so far, which should benefit from a rising dollar — and I still expect to

sec that in 1993. Finally, 1 was too impressed by the supply problems of the European bond markets (caused by heavy government borrowing, especially in Germany) and was surprised at how far they were prepared to anticipate lower interest rates. It would have been better to switch from Canada into any European market last fall. That's probably still true in local currency terms, suit true in local so sure when currency rates could, at their present levels, but I am oot so sure when currency rates could, at their present levels,

looks the best of the big European en 13.5 percent and the French markets, and if you are dollar-more than 20 percent, but even the based, finance the investment in and offers its view for the long term. most faithful reader could not have Dutch guilders or Swiss francs. 1 bought before mid-January, since would rather gamble that the currencies while hedging out the dollar move against them. Hedging fully from French francs into dollars is too expensive.

been diluted by a currency hedge. To sum up: Pavonite currency, that I recommended, though there the dollar, favonite bond market, France; favorite stock market, the Netherlands. Those views are a little more consensual than I was for much of last year. Oh well, despite what the wise man said, the majority is not always wrong.



Hirohiko Okumura, chief economist, Nomura Research Institute, Tokyo

When the Japanese econom bubble finally burst, growth in demand began to fall significantly short of supply, and the widening of the gap between supply and de-mand soon started to make itself felt. This trend, clearly apparent since 1991, became, if anything, even more marked in 1992. Demand grew fairly strongly up until 1990 but collapsed in 1991. The slowing of growth on the supply side was much less marked, however, and surplus supply-side capaci-

ty began to mount. Let us now take a look at the anthorities' response to these devel-

On the monetary front, the Bank of Japan cut its discount rate from 6 percent to 5.5 percent in July 1991. The official discount rate was subsequently cut five more times, and the final cut in February 1993 reduced it to just 2.5 percent (3.5 percent below its peak). Call rates, lending rates and deposit rates also fell in line with the official discount rate, but the concomitant decline in the rate of inflation seriously limited the impact of these reductions on real interest rates. Today, for example, the overnight call rate is about 3.1 percent, while short-term rates are in the neighborhood of 4.0 percent. Retail price inflation is about 1 percent and wholesale price inflation stands at minus-1

Under the circumstances, it is not easy to see how real interest Outlook <

offer business the sort of incentive it requires. In fact, a glance at the shows today's levels to be more or less average. At the same time, the money-supply movement is extremely difficult to interpret. Certainly, there is little to surprise us in the slow growth of the money supply up until 1991, when the economy was absorbing the excess li-quidity. In 1992, however, even as Japanese corporations began to ex-

A glance at the trends in real interest since 1980 shows today's levels to be more or less average.

perience a renewed tightening of

their liquidity positions, the money

ed to grow at a nega supply contin tive rate, and this can be attributed to the adoption of a questionable stance toward monetary policy by Since the movement of the money supply itself has also been unusual in the present simution, it is

equally possible to trace the roots

of the problem beyond interest-rate

trends to a more fundamental

cause concerning the overall flow Let us now turn our attention to fiscal policy. Fiscal measures taken during fiscal 1992 consisted primarily of two actions: the frontloading of public investment in the first half of the year, and the announcement in August 1992 of a package of measures designed to poost fiscal outlays by a total of 10.7 trillion yen during the remain-

der of the year. The front-loading program called specifically for the acceleration of the public investment program by allocating 75 percent of the public works expenditures by national and regional government agencies scheduled for the whole of fiscal 1992 during the first half of the term. Unfortunately, the government failed to push the supplementary budget through quickly enough, and final approval was not secured until Dec. 10, far too late to have any real impact on the economy during what was left

Again, in fiscal 1993, we can expect to see the initial budget augmented by additional spending in the area of 12 trillion year. There is, moreover, a particularly urgent nced to review the management of the whole Fiscal Investment and Loans Program, which left postal savings in excess of 10 trillion yen of unused funds in fiscal 1991 and

of fiscal 1992.

I should like to take a brief look at the Japanese economy's medi-

cess of adjustment following the bursting of the bubble has run its sum available for investment and I course. First, given such positive am pleased to say that the average stock, labor supply and innovative been 20.6 percent. of economic growth falling far short of its potential rate. Similarly, since there is equally little likelihood of potential growth being seriously disrupted by outbreaks of public and social disorder of any kind, we might expect to see annual growth settle somewhere in the high 3-percent range.

At the same time, however, we must also take note of the growing tendency for Japanese business to modify its traditional management style. If this trend really begins to gather steam, there is a danger that the Japanese economy's potential cruising speed will also be reduced. If the growth rate of the Japanese economy were to stagnate at around its corrent levels as a result of some sort of policy failure, considerations of this nature would have to be taken extremely seriously. In my view, however, the implementation of new policy initiatives should be sufficient to put the Japanese economy back on an acceptable growth trajectory, and this will, in turn, help to limit the extent of the modifications being carried out in the Japanese style of busi-

In the immediate aftermath of the bursting of the bubble, there is a strong tendency to take a pessi-mistic view of policy measures aimed at the expansion of demand. It must not be overlooked, however, that Japan's ultimate lenders have massive supply of funds at their disposal. The government's financial position is also fundamentally sound. In addition, real interest rates remain high, which means of course, that there is still plenty of scope for further reductions.



Nigel Cuming, senior investment manager, ANZ Grindleys Bank (Jersey)

When I provided a model portfolio for the growth-orientated U.S. dollar-denominated client with \$50,000 available for investment, 1 suggested that unit trusts - U.K. open-ended mutual funds - were the best vehicle and that an overweight position in the United States was the correct approach. 1

uni-term growth path once the pro- initially suggested three unit trusts

The recommended 15 percent exposure to Europe would have made no money at all as the recommended unit trust declined over the period by 0.6 percent. The 10-percent recommended exposure to Japan, bailed out by the recent strong performance, would have resulted in an average return from the two funds recommended of 9.15 percent. The recommended 5-percent exposure to South East Asia would have resulted in the return of 17.8

Unfortunately, the emphasis on emerging markets has proved cost-ly and the 20-percent exposure recommended would have declined by about 6.75 percent. Assuming that the dollar was retained (5 percent) the return over the year from cash would have been about 3 percent.

Taking into account the initial asset allocation and the performance of the various unit trusts that were recommended, and assuming that no changes were made over the course of the period (obviously this would not have been the case), the portfolio would have appreciated by about 9 percent overthe year.

In terms of our general invest-ment advice I remain happy with

The yen is likely to appreciate --- a long-term dollar target would be 110.

the emphasis that we have placed over the last year on the dollar and the American markets generally. 1 remain nervous of the prospects in Europe and will remain underweight here because of political uncertainty and the likelihood of earnings shocks throughout the summer. Despite the emergence of China, I feel that a weighting in the Southeast Asian markets remains prudent as the growth prospects

We failed to call the turn in Japan but for our dollar-denominated accounts we have increased our of present trends is anticipated. Af-

exposure to yea over the last month. While it is always dangerous to find yourself with the consensus we also believe that the yen bounce may occur in sterling a refactors as Japan's current capital return from these funds would have stock, labor supply and innovative been 20.6 percent. could appreciate to 110 against a test of recent lows is likely. Elsewhere stock, labor supply and innovative been 20.6 percent. ings to Australia substantially.

> The next quarter promises more of the same for U.S. equities, in as much as the market is likely to remain broadly neutral with little news on the horizon to boost the Dow Jones index from the 3,300 level. Longer term, however, the continued increase in corporate earnings should lead to a sustained rise as the present recovery discount feeds itself out of the present valuations. Prices should remain supported by inflows of cash from institutions and private investors as interest rates stay low. This together with the continuing firm U.S. dollar leads us to believe that the market remains a buy for international investors and that opportunities should be taken to purchase stock on weakness. Investors should be selective as the diverse performance amongst individual

stocks is likely to continue, For British shares, the next quarter is probably going to start quietly with investors broadly u pressed by the outcome of the oudget last week.

I like the outlook for the Australian share market, where things are continuing to improve; further progress can be expected. In the long run growth will pick up, inflation will remain low and the risk for a market in which most investment houses are underweight remains very much on the upside. The All Ordinaries is heading for 1,675 to

Among the world's bond markets, I would take profits in the United States. After a period of outstanding performance with the long bond breaking through 7 percent, it is now very attractive to take profits and switch into Canadian bonds (unhedged) or into Eu-rope on a hedged basis where the Ecu, French and Spanish markets all offer excellent value. A combination of a weak currency and funding difficulties result in the U.K. market remaining unattractive. The Dutch and German markets appear to have already dis-counted too much and better value exists elsewhere

As for currencies, a continuation

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dollar once more looks set to move higher, and although a trading to make progress.

The yen is likely to continue to

appreciate - a long-term dollar target, as I say above, would be



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SPORTS SKING

Aamodt and Seizinger Super-Giant Titlists

Norwegian Gains on Girardelli

ARE, Sweden — Kjetil Andre Aamodt won the final men's World Cup super-giant slalom race of the season on Friday to take the World Cup ritle in the discipline and keep alive his hopes for the overall crown.

With Marc Girardelli of Luxembourg fin-ishing 15th, 0.76 of a second behind him, he still has a slim chance of snatching the over-

Asmodt won his third cup race in a row by finishing in 1 minute, 07.43 seconds over the 1,800-meter (5,910-foot) course with a vertical drop of 515 meters.

Gunther Mader of Austria, winner of one super-G race this season, was runner-up Fri-day in 1:07.49, and Franz Heinzer, the cup downhill champion from Switzerland, was

third in 1:07.51. With his victory, Aamodt, the Olympic super-G champion, prevented Girardelli from clinching the overall title for a record

Girardelli picked up only 16 points and leads Aamodt overall by 1,319 points to 1,167 with two races left, a giant slalom on Saturday and a slalom on Sunday. Each victory is worth 100 points.

Aamodt has made up ground on Girardelli in each of the three last races, but he knows that his task of capturing the overall crown is

"I don't want to speculate on that," As-

'I should think about myself," he added.

"I will try for the GS title tomorrow. If I win that one too I'd be very happy with my

Aamodt's last two victories were in Norway - a super-G in Lillehammer on Sunday and a giant slalom Tuesday in Oppdal. "It's exciting to win race after race," Aamodt said. "But it was difficult today. It was

close, only six hundredths." "I was a bit nervous," he added. "I didn't want to ski out. Maybe I should have skied more aggressively, but it was enough. I didn't

make any big mistakes." For Aamodt, who finished only 13th over-all last year, it was the first World Cup title

in any discipline. In major championships, he has one Olympic gold medal (super-G), at the 1992 Winter Games, and two golds (GS and sla-lom) at last month's world championships.

"It means a lot for me to he the best skier during the whole season," he said. "It's maybe more difficult than winning one race." "But it's also exciting in the champion-ships," he continued. "Then you have to put

everything together on one day. I like that. It's exciting. A lot of nerves are involved." Aamodt topped the final super-G stand-ings with 420 points. Mader was second with 307 and Heinzer third with 301.

Jan Einar Thorsen of Norway, who was only 11th Friday, dropped from second to fourth with 294 points while Girardelli was

Compiled by Our Staff From Dispatches ARE, Sweden - Kanja Scizinger of Germa-

German in Women's Overall Lead

ny clinched the women's super-giant slalom title on Friday and moved past Anita Wachter of Austria for the overall World Cup lead by winning the season's last super-G.

With two races left, Seizinger held a 14point lead over Wachter. "It's very open, there are two races left," Scizinger said. "The slalom is a great advan-

tage for Anita, and if I am to have any chance I'll have to do very well tomorrow. The women's cup season ends with a giant slalom Saturday and a slalom Sunday.

Seizinger, who had already won her second straight downhill title, blazed down the 1,190-meter (3,900-foot) Gaestrappet course in 53.07 seconds. Ulrike Maier of Austria finished second in 53.21. Deborah Compag-noni of Italy, the Olympic super-G champi-on, finished third 53.31.

Wachter lost her overall cup lead when she finished seventh, 0.65 seconds behind Sci-

Carole Merle of France, who was bidding for her fifth straight super-G title and who was leading in the discipline before the final. was faster than Seizinger in the upper part of the course but lost time in the bottom and finished sixth, 0.54 seconds behind.

Merie had been hoping to score a double in the super-G and giant slalom for the

second year in a row. Seizinger, the super-G world champion, trailed Wachter by 50 points entering the

race, but picked up 100 points for her victory to raise her total to 1,216. Wachter, who earned 36 points for finishing seventh, has

Although Wachter has more giant slalom and slalom victories, she knows Seizinger is skiing at her best.

"I didn't do a bad race — I did my best,"
Wachter said. "But it didn't bein as Katja is
in such good form, and I haven't got the
condition to get that extra luck."

"Today wasn't good for me because Katja was winning and I lost many points, but we still have two more races left," said Wachter, who had the fin last week and banged her knee and back in practice Thursday.

Scizinger, 20, won her second super-G of the season, which had six races in the event. She picked up her sixth victory of cup campaign, and has won ber last two races.

She took a giant slalom in Klovsjo, Sweden, last week. It was ber first victory in that event, and could make her a real threat to

Seizinger was awarded the downhill title Thursday, after the final downhill races had to be called off because of high winds. Seizinger already had assured herself of retain-ing that title, but the cancellation deprived her of another chance to pile up points in her strongest event.

Friday brought Seizinger's tally of 1992-93 World Cup triumphs to three downhills, two super-Gs and a giant slalom.

(AP, Reigers)

A FOUL CALL? — Indians' manager Mike Hargrove protesting a foul-ball call in Cleveland's first game since the deaths of two pitchers. The Indians tied the Orioles, 2-2, in 11 innings.

Cape Horn Rounded By Peyron

PARIS - The French catamaran Commodore Explorer rounded Cape Horn despite running into trouble in 140 kph (85 mph) winds in its attempt to sail around the world in 80 days, the boat's headquarters said.

The latest message radioed by the skipper, Bruno Peyron, said the vessel, with its main sail only partly unfurled, rounded the cape at the tip of South America on Thursday in easier winds.

"They reported that they were happy but tired after the storm," the headquarters said

The catamaran had earlier been reported in trouble in rough seas and being pushed toward the coast on the 12,930-kilometer last stage of the 43,760-kilometer trip.

The voyage began and is to end in the English Channel.

Peyron had hoped to round the Horn last Monday but lost time in a succession of doldrums and storms.

Commodore Explorer is the last vessel remaining in the \$1 million Trophèe Jules Verue race to circumnavigate the world in less time than it took Verne's character Phileas Fogg in the book, "Around the World in 80 Days."

Raiders' Davis Likes Free-Agent Future

By Thomas George

fifth with 216.

New York Times Service
PALM DESERT, California — Although National Foothall League free agents have been free to sign with new teams for the past 25 days, only the tip of the iceberg has been reached in player movement, according to the Los Angeles Raiders owner, Al Davis.

"Players are free to move until July 15," Davis said. "There are a lot of great players that will yet move. Some teams are going to trade some big-name quarterbacks to prepare for the salary cap that is expected for next season, It's a big issue for a lot of teams."

We will not wait for next year and we will

There are a lot of great players that will yet move. Some teams are going to trade some big-name quarterbacks to prepare for the salary cap that is expected next season. We will not wait for next year. We want to win now.

Al Davis, L.A. Raiders' owner

not do everything based on next year," he said.

"We want to win now." Davis, who has signed up the free-agent quarterback Jeff Hostetler, said on Thursday that he thought several star quarterbacks will still move or be traded, and speculation began that Randall Cunningham of the Philadelphia Eagles could be tops on that list.

The Eagles' owner, Norman Braman, did his

best to shoot down such speculation. "He's not going anywhere," Braman said. "I can say without any equivocation that no matter what was offered, I would not trade him. He's going to be there as long as I own the club."

Davis discussed a variety of subjects that

included the following: · How NFL teams can best approach free agency: "We're going to have to study and learn from others. We're going to have to look at the college game on how they reload for every four years. We'll have to look at baseball

"Tve always been impressed with the Minne-sota Twins. They reload and are in the running for the championship every two or three years. Then they take their hits in free agency and are down a year or two. Then they come back. It's

one approach."

• The roster increase from 47 to 53 players: Even though you can have 53, some teams are going to carry only 45 as a way to keep under the cap. The 53 also gives you a chance to develop a younger player at a position where you know you are going to lose a veteran the following year to free agency."

The salary cap that could take effect in 1994: "Teams are going to have to do several things predicated on the cap. That means the may be a thing of the past. You're no longer going to be allowed to keep veteran players a year longer and pay them excellent money. This is the last ware a long of the past ware a long of the past ware and pay them excellent money. This is the last year a lot of veterans are going to get that one big contract one more time. They deserve it.

Though the history and tradition will suffer. the game itself has been preserved. The cap allows us to go into the future without teams going into debt and into problems that would

On Raghib (Rocket) Ismail, the former Notre Dame star who plays in the Canadian Football League: "We're allowed to talk to his agent, and they would like to move him from Canada. We've just begun discussions. We'll let the process go for a while. We'll have a better feel in the next two weeeks."

On the San Francisco 49ers not matching Pierce Holt's \$7.5 million Falcons contract: "I was extremely surprised when they did not match it. It is a new beginning in the NFL. What it is in essence is you make a trade without involving a club and open an opportunity to get a player you want. It's a new way today.

 On the Eagles receiving compensatory draft picks that will push other teams picks lower: "Of all the teams that will be traumatized as a result of losing players, they have the chance to be gutted the most. I have sensitivity

to what happens to them." On the former Raider Bo Jackson making the White Sox: "This guy is running around with that kind of hip and sliding and lunging for fly balls? It's incredible. He sat with us at the Super Bowl, and I don't think he envisioned he would be at this level this quickly. But like he once told me: They don't have a cure for the common cold. How can they tell me what my body can do? When others say no, he says yes.

On Bill Parcells, former Giants' coach who has taken over the Patriots: "Once, a few years ago, he called me and said, I'm going to trade Lawrence Taylor.' He said he was hurting the team and he couldn't control him. I said, Bill, he is your team."

The Associated Press

ZURICH - Tolik Bakhramov, the Soviet linesman whose controversial goal call put Eogland ahead for good in the 1966 World Cup final against Germany, has died at age 66. soccer's governing body, FIFA, said Friday.

Gottfried Dienst, the Swiss referee in the 1996 final at London's Wembley Stadium, left the call to Bakhramov when the English striker Geoff Hurst's shot recocheted from the crossbar into the goalmouth after 11 minutes of overtime with the game tied, 2-2.

Bakhramov, though further from the action, triggered national outrage in Germany by awarding a goal. Hurst later scored again to give England a 4-2 victory and its only World Cup.

Television replays and photographs strongly suggested that one of the most contentious goals in soccer history in fact was not a goal because the ball did not fully cross the goal line.

'92 Stars Shrug Off '2d-Year Jinx'

Karros, the National League rookie of the year for Los Angeles, is a right-handed-hitting first baseman with power. He led the Dodgers with 20 homers and 88 RBIs last season.

Against Houston in a 3-2 loss Thursday, Karros had his fourth home run of the spring.

"That is something that's go-ing to be talked about," Karros said of the jinx. "Hopefully, 1 won't give anyone reason to talk about it. There will be some point in the season when I'm not doing well. It happens every season, but at the end of the year

I'm going to have my numbers." Listach, the American League rookie of the year, tripled home two runs to cap a four-run second inning as Milwaukee beat Scattle, 4-1. In that game Ted Hignera, coming back from an arm injury, ran his record to 3-0, striking out two and allowing

only a third-inning single.

BLACE MROTE THAT. APPRENTLY THE THESE WAS ON FIRE. MAYBE HIS THUL GOT STRUCK

CALVIN AND HOBBES

THEER! THEER! BURNING BRIGHT IN THE FORESTS OF THE NIGHT.

Elsewhere Thursday: Don't mention the second-year jimx around Eric Karros and the New York Mets aigned a Pat Listach. The top two rookies three-year contract extension, of 1992 have come off impressive guaranteeing him \$15.38 million.

Saberhagen, who won the Cy Young Award in 1985 and 1989, also has an option for a fourth year for at least \$5 million. The

SPRING TRAINING

Mets gave Saberhagen a \$2.5 million signing bonus, \$3.05 million for 1994, \$4.05 million for 995 and \$4.3 million for 1996. Inceptives based on innings pitched before 1997 could push the final-year figure to as much as \$5.5 million. Also included in the package are deferred payments worth about \$1.4 million.

Saberhagen, plagued by an in-flamed index finger last year, was 3-5 for New York with a 3.05

ERA in 17 games. ● The Florida Martins said that picther Scott Chiamparino could miss the season. The former Texas Ranger will undergo elbow surgery to replace a bone spur. Chiamparino injured the

FLANMARIE FELINES - WHAT

WEIRD SUBJECT FOR

POETRY.

elbow in February, but was expected to miss only a month or so. He had been under consideration as Florida's fourth starter.

Tom Browning of Cincinnati pitched five strong innings in a 3-1 loss to Toronto as he continued his return after recon-

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Ε,

Browning, hit hard in two recent B games, allowed five hits. one walk and no runs after a first inning in which the Blue Jays scored on singles by Devon White, Luis Sojo and Joe Carter. nings for Toronto, allowing two

• The New York Yankees got six hitless immings from Bob Wickman, but Atlanta scored in the seventh to beat reliever Neal Heaton, 1-0.

Wickman, aiming for one of two vacancies in the Yankees' rotation, used his sinker to produce 13 ground balls leading to 14 outs. He walked two and struck out three in lowering his spring training ERA to 0.60. The only run came on a dou-

ble-play gounder by Terry Pen-

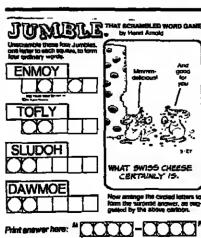
THIS IS WHY I TRY TO SLEEP THROUGH MOST

OF THE DAY.

DENNIS THE MENACE



I CAN'T EVEN HAVE A COOKIE, AND LITTLE JACK



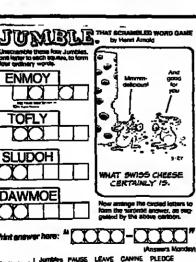
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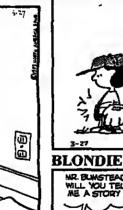
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SPORTS TENNIS

Indiana, Kansas, Florida State and **Kentucky Advance**

The Associated Press Indiana and Kansas are going to play it again, this time with a berth in the NCAA tournament's Final Four at stake.

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Kansas defeated Indiana, 74-69, in the Hoosier Dome on Dec. 5. The rematch was set for Saturday in the Midwest Regional final in St. L. Mis, where the top-seeded Hoosiers (31-3) and second-seeded Jay-hawks (28-6) advanced with easy victories Thursday night.

Top-seeded Kentucky (29-3) and third-seeded Florida State (25-9) advanced to the Southeast Regional final in Charlotte, North Carolina. After Kansas beat California, 93-76, the Jayhawks' coach, Roy Williams, was asked about the rematch with Indiana.

That game seems like about seven years ago," Williams said, referring to the December game. I'm going to enjoy this until about noon tomorrow, and then we'll start thinking about it."

Louisville's coach, Denny Crun, was thinking about Calbert Chesney after the Indiana star scored 32 points in an 82-69 victory over the Cardinals in the other Midwest semifinal.

"The big difference was Calbert Cheaney," Crum said. "We held our own with everyone else but Cheaney. We got it down to three and then he took the game over." In the Southeast, Travis Ford Monday night at Madison Square scored 26 points, Jamal Mashburn had his 23 in the first half, and

Kentucky routed Wake Forest, 103-

69. In the other semifinal, Florida State struggled to beat Western - Kentucky, 81-78, in overtime. A 12 - 4 Kentucky continued to breeze through the tournament with a BASKETBALL deadly 3-point attack. The Wildcats, who beat Rider by 44 in the opening round and Utah by 21 in the second, made 16 of 24 from

long-range against Wake Forest. The semifinals of the East and West regionals were to be played Friday night. In East Rutherford, New Jersey, Virginia (21-9) was facing Cincinnati (26-4) and North Carolina (30-4) met Atkansas (22-8). In Seattle, Michigan (28-4) was to play George Washington (21-8) and Vanderbilt (28-5) faced Tem-

SOUTHEAST REGIONAL Florida St. 81, W. Kentucky 78, OT: Western Kentucky had a

chance to the after calling timeout with four second But a high-arcing 3-pound by Cypheus Bunton bounced off the rim twice before failing away. Darnell Mee scored 21 points for Western Kentucky (26-6).

Kentucky 103, Wake Forest 69: A. Chaora: 33 32 508 17 LA. Chaora: 34 50 18 Socrumento 27 36 508 18 Socrumento 27 37 509 33 33 39 33 33 39 33 33 39 30 33 33 with four seconds left in overtime.

five of his 3-pointers, while Rogers was held to 14 points after getting into early foul trouble. Ford hit 10 of 11 shots from the field, including five 3-pointers.

Indiana 82, Louisville 69: Indiana wore down Louisville with its motion offense and tenacious de-fense. Cheaney, the Big Ten's ca-reer scoring leader, made 10 of 12 shots from the field and grabbed eight rebounds. Greg Graham was 7 for 11 from the field and finished with 22 points.

With 22 points.

Kansas 93, California 76: Rex
Walters outplayed the freshman
sensation Jason Kidd and helped
Kansas and California's golden run
Walters through the tournament. Walters scored 24 points, including four for five from 3-point range. California: (21-9) won 11 of 13 games after Todd Bozeman, 29, was named coach on Feb. 8, including tournament victories over LSU and Duke, the two-time defending NCAA champion. Kidd had 13 points, 11 assists and four turnovers before fouling out with 1:21 left.

■ Georgetown in NIT Semis Georgetown sailed into the NIT semifinals with a 66-53 victory over Miami of Ohio on Thursday in Fairfax, Virginia, The Associated Press reported.

Georgetown blew the game open midway through the second half, when, with a 36-29 lead, the Hoyas went on a 12-1 run over the next

The Hoyas will play Alabama-Birmingham in the NIT semifinals Garden. Providence faces Minnosota in the other game.



Kentucky's Jamal Mashburn shooting over Travis Banks of Wake Forest for two of his 23 points.

CAMPBELL CONFERENCE

Australia Blanks U.S. In Davis Cup Opener

Australia took advantage of an undermanned U.S. squad, winning both opening singles on Friday to take a 2-0 lead over the defending champions while last year's runnerup Switzerland fared only slightly better against India in the first round of the Davis Cup's World

In Melbourne, Wally Masur and Mark Woodforde lost only one set each in beating Brad Gilbert and David Wheaton of the United States, which began defense of their title without top U.S. players such as Jim Courier, Pete Sampras and Andre Agassi.

In Calcutta, Leander Paes. ranked 202 in the world, routed the 33d-ranked player, Jakob Hlasek, 7-5, 6-1, 6-2, to give India a 1-0 lead. Marc Rosset then held off Ramesh Krishnan to even the In other World Group matches

Friday, France took a 2-0 lead over Anstria; the Netherlands and Spain were tied, 1-1; Italy led Brazil, 1-0, and Sweden led Cuba, 1-0. In Melbourne, Masur repeatedly ripped the ball past Gilbert to win 6-3, 6-7 (6-8), 6-4, 6-2 on the grass courts of Kooyong. Woodforde re-covered from the loss of the first set

to wear down Wheaton, 3-6, 7-6 (7-Wheaton had 19 aces but committed almost twice as many unforced errors.

Our backs are as far against the wall as they can be," said Wheaton, who is playing in his first Davis

mendous team effort to get back Gerald Mandl in the doubles into it."

Woodforde and Todd Woodagainst Jim Grabb and Richey

running game and volleys to beat Hlasek. Hlasek had difficulty adjusting to the low bounce of the ball 3, 6-1, 6-1. on the South Club grass courts, which had been softened by rain on Thursday. But Rosset then rallied Switzerland with 24 aces by outlasting Krishnan in a three-hour battle, 7-6 (7-3), 4-6, 6-3, 7-6 (7-4).

"Paes simply did not give Hlasek

any breathing space and caused him far more misery than the sun and the humidity," said Switzerland's nonplaying captain, Dimitri

and Hlasek.

France 2. Austria 0: In Vienna. Forget breezed by Alex Antonitsch lem getting by Skoff, taking a 5-1 6-1. lead in the first set on his way to winning in 40 minutes.

Forget overpowered Antonitsch from the start and needed exactly seen as a must if the home team was two hours to win. Austria's top to upset Czechoslovakia. player. Thomas Muster, is not on the team because of a dispute with

Netherlands 1, Spain 1: In Barcebridge were to try to complete the victory in Saturday's doubles Bruguera, 6-3, 4-6, 4-6, 6-3, 6-2, to give a boost to the Dtuch, which Reneberg.
India 1, Switzerland 1: In Calcutta, India, Paes, 19, used a relentless first set of his match but finally rallied to even things for Spain,

> Haarhuis was to join with Jacco Eltingh in the doubles against Emilio Sánchez and Sergio Casal.

Italy 2, Brazil 0: In Modena, Italy, Diego Nargiso gave Italy the lead with a 7-5, 6-2, 6-3 victory over Jaime Oncins and Omar Camporese then beat Luiz Mattar, 7-6 (7-4) 4-66-26-1.

Sweden 1, Cuba 0: In Kalmar, Sweden, Stefan Edberg gave Swe-Paes and Krishnan will team in den the lead with an easy 6-2, 6-2, Saturday's doubles against Rosset 6-2 victory over Juan Antonio

Czechoslovakia 1. Denmark 0: In Amaud Boetsch defeated Horst Aarhus, Denmark, Karel Novacek Skoff, 6-2, 7-6 (7-5), 6-1, and Guy destroyed Denmark's best chance of upsetting Czechoslovakia when 6-4, 6-2, 6-3. Boetsch had no prob- he beat Kenneth Carlsen, 7-6, 6-4,

> A victory over the 18th-ranked Novacek by the Danish teenager, ranked 51st in the world, had been

Although Czechoslovakia was split into the Czech Republic and the national tennis federation. On Slovakia in January, the two na-Saturday, Forget and Henri Le-tions are playing together in the conte are to face Antonitsch and Davis Cup this season.

SCOREBOARD

NBA Standings EASTERN CONFERENCE

WESTERN CONFERENCE

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Golden State 26 28 29 14—88
Denver 26 29 22 29—99
Alexander 8-17 6-4 20. Owens 7-17 5-9 19;
Autombo 10-15 1-3 21, Shifti 8-14 3-4 19, Rebounds—Golden State S3 (Hill 14), Denver 52
(Autombo 16), Assists—Golden State 13 (Owents (7, Denver 22 (Jockson 7). New York 10 27 29 22—27 Utabl 27 28 22 24—104 Ewing 11-24 5-8 27, Storks 6-17 1-2 16; K.

Ewing 11-94 5-8 27, Storks 6-17 1-2 16; K.
Molone 7-18 4-15 29, Stockson 6-9 5-6 19, Rebounds—New York S3 (Ewins, Mosen 12),
Utich 35 (K. Molone 101, Assists—New York 10
(Storks 5), Utich 24 (Stockton 10),
Instinate 33 25 34 25—124
Schriemoff8-113-419, Richardson 12-164-630;
Kentyl 8-16 4-7 20, Polyton 11-15-2-5 24, Johnson
10-19-8-8-27, Sebassand-emoliton-6 of (Credit Of Control Kentu 8-16 4/2 ZL, Parylon 11-15 2-5 24, Johnson 10-19 8-6 29, Rebuseds—Indiana 46 (Davis 4), Solitie 54 (Komp 15), Asulats—Indiana 26 (Richardson 12), Seattle 10 (Kerup 5), Portional 27 (Richardson 12), Seattle 10 (Kerup 5), Portional 51 24 20 27 9-111 Sirickland 8-147-10 28, Robinson 16-17 5-825; W. Williams 12-25 7-8 35, Thadde 9-20 4-5 22, Robinson 12-25 10 (Tadde 1-14), Assistant 10-18 (Seattle 1-14), Assistant 10-18 (Seattle 1-14), Assistant 2-5 (Webb 10),

HOCKEY NHL Standings

6 100 300 228 7 83 297 256 Washington New Jersey N.Y. Rangers N.Y. Islanders

Hew Jerkey T 0 2-3
Pittabursh 0 4 0-4
MacLeon (201, Zelepukin (15), Richer (30);
Tocchet (39) 2, M. Lemieux (53), Jose (31),
Shots on good-New Jersey (on Borresso) 10-7-11-22, Pittabursh (on Terreril 9-16-7-32, 3 1 2-5 Kinio (29), Ahala (3); Brind'Amour (35), Recchi (40) 2. Berunek (12), Lindros (36). Shots on eaal—San Jose (Roussel) 3-3-12—18. ohio (on Irbet 11-11-11-33.

Creichton (15), Anderson (11) 2. Holl (11)
2. Shets on seal—Tompa Bay (on Berthlaume) 7-8-8-1—24. Oftowa (on Bergeron) 12-8-10-0-30.
Réantreel 8 8 9-9 Ootes (43), Leoch (23), Shets on sect. Mon-treal (on Mooy) 5-7-1-13, Boston (on Roy) 14-3-4-25.

Mushington 2 1 3-5

N.Y. Islanders 3 1 3-2

Pivonka (20), Elynuik (20) 2. Ridey (24), Bondra (33); Klas (34), Krusp (9), Shets on geol-Washington (on Fizpatrick) 7-11-11-29.

New York (Secure) 9-13-31.

Torondo 1 1 1 8-3

Minassota 1 1 1 8-3

Barachevsky (30), Gill (11), Gilmour (20);

peal—Toronto (on Wekaluk) 13-15-7-0-35.
Minnesota (on Polvin) 14-15-7-0-36.
Buffahs 2 3 1-4
Chicoso 1 3 8-4
Chicoso 1 3 8-4 pliny (72). Howerchuk (14), LoFontaine (49); Suffer (15) 2, Motheou (13), Roenick (41),

WOMEN'S SUPER-6
Results Pridey from Are, Sweden: 1, Korlo
Satzinger, Germany, 5207 seconds; 2, Ulrike
Moler, Austria, 5321; 3, Deborch Companion,
1107, 53.21; 4, Resine Cavotanud, Frunca,
53.07; 5, Resine Heaval, Germany, 53.54
A. Carolellowie, Franca, 53.61; 7, Antho
Wochter, Austria, 53.27; 8, Heidi Zeller, Switzerland, 53.74; 9, Sylvia Eder, Austria, 53.80;
10, Toffona Labedeva, Russia, 53.81,
11, Heidi Zurbriogen, Switzerland, 53.86; 12,
Magon Geraty, Anchoruge, Akoska, 53.94; 13,

18. Regine Cavounoud, France, 158. Overall World Cup standings: 1, Katia Selzinger, Germany, 1,216 points; 2. Anita Wactiter, Austria, 1,202; 2. Carole Merie,

Franca, 984; 4. Mirlam Vogt, Germony, 683; 5. Ulritie Moler, Austria, 649. 6. Kerrin Lee-Gortner, Canada, 565; 7, Martina Ertl, Germony, 323; 8, Heldi Zaller, Switzerland, 524; 9, Region Hoausi, Germony, 533; 18, Vreni Schneider, Switzerland, 526. MEN'S SUPER-G

Pridey, In Are: 1, Kleftil Andre Aomodi, Nerwey, I minute. 7,43 seconds; 2, Gunther Moder, Austria, 1:07.49; 3, Fronz Heinzer, Switzerfond. 1:07.51; 4, Morco Hong, Switzerfond, 1:07.59 5, Paul Accola, Switzerland, 1:07.50; (fiel Eberharier, Austria, 1:07.65; & Luiai Cotturi, Itoly, 1:07,85; 9, Steve Locher, Switzerland, 1:07,92; 10, Armin Assinger, Austria, 1:07,93.

Lucembours, 1:06.19, Fleat Super-G standines (other 7 roces): 1, Klettil Andre Admodt, Norway, 420 points; 2, Gunther Moder, Austria, 307; 3, Franz Heinzer, Switzerland, 301; 4, Jan Elnor Thor-sen, Norway, 294; 5, Maric Girordelli, Lucem-

TENNIS Davis Cup

WORLD GROUP

WORLD GROUP
Antirolle 2. United States 6
Macsur, Audrolle, def. Brad Gilbert,
States, 6-3, 6-7 (6-8), 6-4, 6-2; Mark
role, Austrolla, def. David Wheaton,
States, 3-6, 7-6 (7-1), 6-4, 6-4,
Jedia 2. Switzeriand 6
Her Pans, India, def. Lokoh Hicsek. Leander Paes, India, def, Jokob Hi Switzerland, 7-5, 6-1, 6-2; Marc Rosset, zerland, def. Romesh Krishnan, India, 7-6.4-6.

6-3, 7-3.
France 2, Austria 9
Arnaud Boelsch, France, def. Herst Skoff,
Austria, 8-2, 7-4 (7-5), 6-1) Guy Forcet, France,
def. Alex Antonitsch, Austria, 6-4, 6-2, 6-3.
Netherlands 1, Spoils 1
Poul Hoorthuls, Netherlands,

7, 6-1, 6-1, 6-1, 10 Diego Noruja, Nother Composed, Itoly, def. Luiz Mattira, Brazil, 7-5, 6-2, 6-3; Omer Composed, Itoly, def. Luiz Mattira, Brazil, 7-5, 6-2, 6-3; Omer Composed, Itoly, def. Luiz Mattira, Brazil, 7-5, 6-2, 6-3; Omer Composed, Itoly, def. Luiz Mattira, Brazil, 7-5, 6-2, 6-3; Omer Composed, Itoly, def. Luiz Mattira, Brazil, 7-6 (7-4), 4-6, 6-2, 6-1, Sweden, def. Juon American Editors, Sweden, def. Juon Editors, Sweden, def.

Stefan Edberg, Sweden, del. Juan Antonis Pino, Cuba, 6-2, 6-2, 6-2; Nicklas Kulti, Sweden det. Mario Tabares, Cuba, 6-3, 4-4, 4-4, 6-3. Czechoslovskia 2. Denmark 0 Karel Novacek, Czechoslovskia, def. Ken-neth Cortsen, Denmark, 7-6 (9-7), 6-4, 6-1; Petr Korda, Czechoslovokla, def. Frederik Fetter

Germany 2, Ressia 8
Carl-Uwe Steet, Germany, det, Andrei
Cherkosov, Rustia, 4-6, 1-6, 4-4, 7-6 (8-6), 6-4;
Michael Stick, Germany, Andrei Okthovsky,

ZONAL PLAY First Round Euro-African Group Hungary 1, Fini Sandar Notizaly, Hungary, def. Tournas Ke-tola, Finland. 4-4. 6-1, 6-4; Olli Rebnesto. Finrd.def, Jozsef Krocsko, Hungary, 1-6, 4-4, 7-5. Norway 1, Zimbabwe 8 of Ove Pedersen, Norway, def. Syron , Zimbabwa, 6-7, 0-6, 6-4, 6-3, 6-4, Asia-Oceania Group

Asia-Oceania Group Jepun 2 Hong Kong 6 Shuzo Matsuoka, Japon, def. Colin Grant, long Kong, 6-4,6-2,7-6 (7-0); Yasufumi Yama

Felly Borrigatos, Chillianines, def. Scr resks, 6-3, 3-6, 6-1, 6-2; Ber Thailand 2 Pakiston 0

Thestead 2 Patiested 6
Thomstony Srichenbury, Theiland, def. Me-hammod Kholle, Pakistan, 6-3, 6-2, 6-2; Vora-phol Thomstamchu, Theiland, def. Moham-mod Kholld, Pakistan, 6-2, 4-4, 7-5, 6-3, America, Zone

Anteriora League
AILWAUKEE—Acquired Tom Lampkin,
catcher, from San Diago for future considercritions, Designated Troy O'Leavy, outliekter,
Notif Maysey, pitcher, and Mike Mathey,
catcher, for presidented.

cotcher, for recessorment.

MINNESOTA—Acquired Jeff Grotewold,
cotcher, from Philodelphia for Alica Lewis,
outfleider, and assigned Grotewold to Port-SEATTLE—Walved Gree Briley, outfield-

PHILADELPHIA—Assigned Micu Lewis outfielder, to Reading, EL

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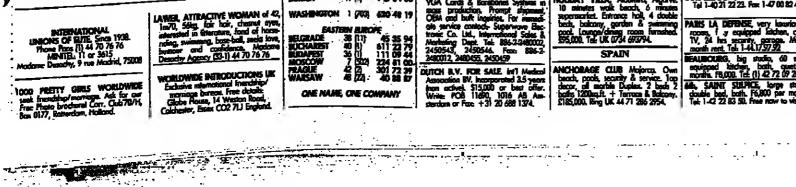
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Houston 2. Los Angeles 2
Korsos City & Detroit 4. 11 Innines
Atlanta I. New York Yonkess 0
Toronta 2. Cincinnal 1
Florida 6. New York Mets 0
Texas & Minnesota 3 Chichea Cubs 72 Colorada 3

Son Diego 7, Son Francisco é Pittsburgh & Chicago White Sox 2 **World Cup Results** WOMEN'S SUPER-G

Salzinger, Germany, St.07 seconds; 2, Ulrike Moler, Austric, St.21; 3, Deborch Compagnent, 10ty, St.31; 4, Respince Covoranual, Franca, St.47; 5, Respince Haesasi, Germany, St.54. A. Corole(Ocrice, Pranca, St.61; 7, Antho Wochter, Austric, St.72; 8, Heidl Zeller, Swihzerland, St.74; 7, Syfvic Eder, Austric, St.80; 10. Torlong Lebedeva, Russic, St.81, 11, Heidl Zurbriopen, Switzerland, St.81; 13, Marca Haesasi, St.74; 7, Astrick Dedermal, Marway, St.93; 14, Mirdan Vogt, Germany, St.12; 11te) Kerrin Lee-Germany, St.72; No. 12, Marca Gircarda, St.73; 3, Austric, St.73; 3, Austric, St.73; 4, Mirdan Vogt, Germany, St.12; 11te) Kerrin Lee-Germany, St.12; 11te) Kerrin Lee-Germany, St.12; 11te) Kerrin Lee-Germany, St.72; 3, Austric, St.73; 13, Austrick St.73; 13, Austrick St.73; 14, Mirdan Vogt, Germany, St.74; 14, Mirdan Vogt, German Vogt, Ge

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The Inside of Beth's Knee

sports activities, because we have fun and learn more about each other as human beings. For example, without the sport of skiing, I would never have found out what the inside of my wife's left knee looks

This came about because of an umplanned skiing maneuver that Beth performed in Colorado ("The People on Crutches State"). Beth and I were attempting to ski, as a family, with our son, Rob, who, being 12, is out legally required to obey the laws of gravity. Rob skis the way the Roadrunner runs in cartoons. He looks for the steepest, scariest slope, one where the bottom is littered with the carcasses of mountain goats and professional rock elimbers who died attempting to get down it. Without pausing, he launches himself off the edge, stops in midsir to look around for several secoods, then WHOOSH turns into a blur and zips to the bottom. where be turns back - he is a tiny black dot oow, way down the mountain-and shouts impatiently,

'Come ON! Beep, beep!!" Then Beth and L playing the part of stupid old Wile E. Coyote, inch our way cautiously to the edge and start to descend the slope at about the same velocity as one of your lessactive glaciers, sometimes getting as far as 18 inches before our skis these are rental skis, and they can smell fear in a person — become skittish and attempt to flee in opposite directions, causing us to collapse

like cheap tents in a high wind. This is what happened to Beth in Colorado. I lonked back and saw her lying on the slope directly under a chairlift, in great pain, with two ski patrol guys kneeling oext to her, administering first aid to her knee and building a little shelter to protect her from the thick storm of ousiness cards being dropped from the chairlift by personal-injury at-torneys. (I am just kidding, of course, They parachuted down in person.)

So we went to the hospital, where a doctor explained, with the aid of an extremely detailed life-size model, how the human knee joint works.

(Not very well, is the answer,) So I was swaving gently back and forth, like a palm tree about to

MIAMI — lo our family, we lose its lunch, and the doctor was like to engage in group thrusting this realistic model knee joint at me and saying. "O. K., you see this ligament? Your wife SNAPPED this ligament. It's GONE. So now her leg can do THIS." Here be picked up Beth's lower leg and moved it in a way that clearly indicated that it was not fully attached to her upper leg. 'See this movement?" the doctor

was saying. "This is WRONG!" So we came back home and met with more doctors, who also had realistic knee models. (I am thinking of carrying one around myself, to scare off muggers.) Each doctor found more things wrong with Beth's knee. ("See this? GONE.") Beth decided that she'd better have knee surgery right away, because the way the diagnoses were escalating, it was only a matter of time before the doctors started talking

So I took Beth in for surgery, and they wheeled her off to the operating room. I was reassured to note that they had used a felt-tipped marker to put an "X" on her left foot, so the doctor would know which leg to operate on. This reminded me of the time when my friend Claire had to have surgery on her leg, and she insisted that her friend Ginny write "NOT THIS LEG" in big letters on the other leg.

After I had been in the waiting room for about eight years, the sur-geon came out. He had good news and bad news. The good news was that the operation went fine. The bad oews was that he had taken color photographs of the inside of Beth's knee. With no advance warning he was thrusting these at me, right there in the waring room. "And THIS," be was saying, quite enthusiastically, like a man showing pictures of his trip to Yellowstone.

is her ligament stump."

I don't know about you, but I think there should be a certain amount of mystery about a woman, Anyway, Beth is going to be O. K., and I have to say that, eveo though this was not a pleasant experience, I was impressed with the way the health-care system operated. The only major area where I see a need for improvement - Hillary Clinton, take note - is that Colo-

rado should be much flatter. Knight-Ridder Newspapers Rush Limbaugh Tells All To Lib City Reporterette

By Maureen Dowd New York Times Service

FW YORK — It is not possible to tell, in the dim light of the "21" Club, if Rush Limbaugh is blushing. But he certainly looks sheepish, a rare state for the radio and television talk-show host who has become a millionaire and conservative hero by zestfully clubbing "feminazis," "environ-mental wackos," Anita Hill, Jesse Jackson, Hillary Clinton, Teddy Kennedy, Mario Cuomo, bomeless advocates, dolphins, spotted owis, trees, "commie libs" and "the arts and croissant crowd."

A friend of his, a bood trader at Lazard Frères who knows that Limbaugh is being interviewed by The New York Times, has just ribbed his bachelor pal by remarking loudly in passing: "Well, Rush, that's got to be either a bonker or a reporter."

It is not surprising that Limbeugh inspires such dazzling outbursts of political incorrectness. What else would one expect from the Most Dangerous Man in the World, as he likes to call himself, the multimedia Baroo of Bombast celebrated by Vanity Fair as the gender war's "General Schwarzkopf for the boys' side"? But he burries to explain.

"That disparaging comment be made: be was ragging me, oot you," Limbaugh says. "He knows you're a reporter, 'cause I told him. He's a tremendous guy. In other circumstances you'd love him." Later, unprompted, he adds: "I should have apologized earlier for that remark."

Rush Limbaugh, a sensitive guy? Wrap your mind around that one, boobala (as Limbaugh likes to spell it).

He also asks if the reporter would care to switch from the banquette to the chair opposite: "I note that by virtue of where you're sitting, there appears to be a power imbalance. You're sitting lower than I am."

Rusb Limbaugh, master of gender etiquette? It is, as be says, a beautiful thing. The Harmless Little Fuzzball, as he refers to himself, does oot go overboard on this sensitivity stuff. He still calls women who work for oewspapers "reporterettes" and women who work oo television "infohabes." When be mentions Hillary Rodham Clinton on his nationally syndicated television show be plays a bar of "Hail to

But oddly enough, beneath the bluster, there beats the heart of a romantic, the shy high school guy who rarely went out on dates, the child of the '60s who has never owned a pair of blue jeans and the insecure college dropout and couch potato who has survived two bad marriages and some lonely stretches in the wonderful world of New York dating.
The four-hour dinner gets off to a sput-

tering start when Limbaugh is told the ground rules: he cannot talk about politics. Well, what, what, what well, now, wait

a second, what do you want to discuss instead?" Taking a sip of his adult beverage

Rushian argot for, in this case, red wine he protests: "What I do in my off time has nothing to do with what I am. I don't go to movies. I've been to a couple of plays. I basically work. I don't watch television. I watch the news and the NFL; that's it." While the 42-year-old has become su-

premely confident in the studio dishing up verities of the right — a regargitation of his radio musings called "The Way Things Ought to Be" has been at or ocar the top of the New York Times best-seller list for 28 weeks — his off-the-air personality is far less brazenly assured.

He suspects that he is being set up by the Liberal Media Conspiracy. "You saw 'Absence of Malice?" be asks styly, referring to the movie starring Paul Newman and Sally Field, in which Field plays an ambitious newspaper reporter who be-trays her sources. "In this light, you're a dead ringer for Sally Field. I know I'm not Paul Newman."

But some rapport finally develops when the meno arrives and the spokesman for the Fruited Plain, as he refers to the United States, asks the starving reporterette, You like caviar?

It is a relief, somehow, to discover that Limbaugh's culinary tastes are more Alexis Carrington than Archie Bunker. His two other favorite restaurants in town are the pretty-in-pink Sign of the Dove and that commie-lib hangout Elaine's.

Are you going to write about what we eat bere?" he demands, offering a dramatic rendition for an amused waiter of the possible story that would result "And Limbaugh elaims to be just an average guy and then orders \$70-an-ounce beluga and forces it on a reporter."

The reporter promises that there will be full disclosure that she oever oeeds to be forced to eat caviar.

Mollifed, Limbaugh cootinues the or-er: "Bring some Beloga, Porterhouse for two, And mashed potatoes." There is also a bottle of 1990 Cortoo-Charlemagne. Limbaugh, who puts his current weight at "265, 270," says he is on a low-fat diet but

one Saturday, what would you do?
"When I have someone coming into town for the weekend, I get stressed out on Tuesday thinking about it," he says. They're going to want to go walking around town, and I don't walk. I just despise it. I don't like shopping. I hate is no longer crashing, "If it takes me another year to lose what I want to lose, fine," he says. "Salty snacks. They're a downfall." window-shopping. I don't browse. One It may be O. K. for all those lib guys

ACROSS

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Club receipts

'One of the reasons. of my success is that I'm totally concerned with me.

thing I like about New York is that they bring it to you. You call 'em up and they bring it to you. You don't have to go find it, shop for it, look for it, if you don't want to. I love that."

He lives in a two-bedroom apartment on the Upper West Side that he says he has never bothered to fix up. His assistant, Kit Carson, says his boss doesn't even have a dining room table on which to plunk his Chinese takeout. But he does have seven VCRs, though he rarely watches movies. "Sometimes I have a date and somebody'll want to watch a movie so I'll say, 'All right, let's go to the video store.' And I go in there and I buy some videos. That way, you don't have to take 'em back."

He avoids food stores because "I can order food from D'Agostino's on my com-puter and have it delivered." And he stays out of department stores. "I have all my clothes sent to me from Rochester Big and Tail," he says. "They come to my place and bring some stuff and I pick out what I like and send the rest back."

down in Washington to hug each other and

get misty and confessional, but at "21,"

amid the meat and potatoes, there are con-servative standards. Limbaugh does oot

want to talk about what be does in his free

time. He wants to talk about the Pursuit of

After all, everyone already knows what

he thinks about welfare, government grid-

lock, ahortion and animal rights. (Bad,

bad, anti and rwaddle.) "I am pretty much

one-dimensional," he says. "One of the

reasons of my success is that I'm totally

concerned with me. Most of me is devoted

to my work, and you've placed that off

cootinues. "I'm going to stay hot as long as I want to stay hot, and that's directly relatable to how much passion I have

about my work. I love what I do. It's other

stuff that bores me. I don't live for week-

ends. I have a vacation coming up the first week in April and I haven't the slightest

idea what I'm going to do. There's no-

where I want to go."

O. K., let's make this easy: if you had to go to a desert island, which three people

from all of history would you bring?
"Christ." Pause. "Lincoln." Longer

O. K., what is your idea of an ideal day?

'I don't have an ideal day," he replies,

Well, if a good friend came into town

pause, "Hell I don't know, Minni Rogers,"

"I'm oot riding the crest of a wave," he

limits. I'm feeling like a dolt here."

Excellence, the topic of his oext book.

He has taken friends to Broadway shows like "Phantom of the Opera" and "The Will Rogers Follies." He even had a one-night turn in "Follies" a few weeks ago as Wiley Post. "I had my picture taken with Maria Maples," he says, star-struck despite his own celebrity. "She was very sweet." Asked his idea of an entertaining eve-

ning, he replies: "I sometimes go charter a jet and go somewhere for dinner. Bren-nan's in New Orleans is my all-time favorite restaurant. Or sometimes I will go to San Francisco to one of my favorite spots in the world, Fort Point, underneath the south lower of the Golden Gate Bridge. It's where Kim Novak jumps into the bay in Vertigo." (Much more often, though, he finds himself traveling on weekends to appear as the prize at a "Dinner with Rush" evening put on by an affiliate radio station or to be a guest speaker for a conservative gathering.)

The reporter, trying to determine if Limbangh's broadcast personality is overdrawn, asks if he ever socializes with feminists, gays or blacks. The talk-show host You wouldn't ask Jesse Jackson if he had any white friends," he complains.
"You're trying to establish that I am a
bigot-Nazi-racist-pig so that you can print it in your own good conscience."

Limbaugh is now acting severely humorimpaired, to borrow one of his favorite phrases. So, at midnight, the check is called for, Vox pop does not come cheap in Man-hattan, Swollen by Beloga, the bill, with tip, is \$505.96. The reporter paid.

PEOPLE

Opera Chief Proposes The Life of Mikhail

Giancario del Monaco, the sometimes controversial head of the Bonn Opera, has suggested to Mikball S. Gorbacher that his life might make a good opera. The former Soviet leader says he is tempter. theater officials said. That should set off lively speculation on who might sing the Gorby part. And would there be a Boris Yeltsin part?

It was a hit in rebearsal, but one song planned for the hig Gridiron Club dinner Saturday night in Washington has been scratched. Give Me Some Men. Some Straight-Hearted Men," a spoof on gays in the military, was killed by the club president, Helen Thomas of UPI, after some members complained.

After a four-year remance, e former chairman of Gannett Al phartis, has married chiropractor Rachel Fornes in Florida.

The Los Angeles jury that or-dered Kim Basinger to pay \$8.9 million for defaulting on an agreement to star in the film Boxing Helena" decided not to assess further, punitive damages against her.

Gloria Steinen celebrated her 59th birthday in New York by urging people to take a girl to work as part of the Ms. Foundation for Women's "Take Our Daughters to Work" campaign. The idea is the showing a girl around a workplace (presumably one where the women don't make coffee) will promote self-confidence.

Life after junk: In his first major public appearance since his release from prison nearly three months ago, the former junk bond king Michael Milken announced in Los Angeles that his family foundation will launch a cable television education network with the help of Michael Jackson and several corporate partners. The foundation will also fund a commission to study how universities can help the

INTERNATIONAL CLASSIFIED Appears on Pages 7, 11 & 17

The later Supplier

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WEATHER

Forecast for Sunday through Tuesday



KING OF THE CATS: The

Life and Times of Adam

By Wil Haygood. 476 pages.

DURING the five years of his chairmanship of the House Committee on Education and La-

bor (1961-1966), Adam Clayton

Powell Jr. shepberded through Congress 49 bills that have had a

long-lasting influence on the arts and culture, on education, on the

training of and aid for the physical-

ly impaired, and on the American

workplace. Federal support for

oublic libraries, minimum wage re-

form and the proposition of equal

pay for equal work, became law.

Clayton Powell Jr.

Reviewed by

John A. Williams

\$24.95. Houghton Mifflin.

North America Europe partly sunny and warm. Heavy thunderstorms will roal through Texas early next and Houston. Heavy rain

The Reverend Powell had minis-

tered his church, written a newspa-

per column, published his own pa-

per, led the fight to secure

employment for black people in in New York. He was New York's first

black city councilman before he be-

of the 22d Congressional District,

But his record as a lawmaker is

usually overshadowed by what we

That he was a black man so fair

be was said to have passed for

white while a studeot at Coleate -

a claim surviving friends refute;

that his attendance in the House

was abysmal; that be was, perhaps,

the most elegantly tailored man in

the House, though he had come

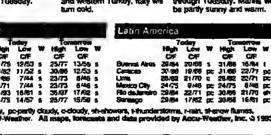
from one of the poorer congressio-

nal districts; that be was insuffer-

have been told to remember:

Harlem, in 1944.

nable weather Sunday Tuesday. Eastern a will remain cold with to Slovakia and Hungary. Heavy rains are expected to



ably arrogant (in his day, "uppi-

ty"); that he seemed to run through

beautiful womeo like grease

through a goose; that be was a

bypocrite, being a pastor of the

States, the Abyssinia Baptist, and

trash-talking, liquor-loving, dam-nably good-looking dandy.

Cats" is a good read. It flashes light on New York politics, Powell's

clasbes with the "established"

black leadership, his indictment

for tax evasion and the subsequent

dismissal of the charge, the Esther James "bagwoman" libel case and

the successful drive of his congressional enemies to unseat him in

1966. Haygood is at his best here,

portraying both the congressional

forces that saw Powell's expulsion

for misuse of congressional funds

Haygood's

rgest black church in the United

BOOKS

gan his 24 years as the representative at the same time a sure-enough

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23 Missouri bird? 26 Opts 27 Utensil on a 28 An anagram fo 29 Within: Prefix 30 Catalpa or ceiba 74 Titter 32 Gulf --- system 77 Utah bird?

"get" Powell They did, and Pow-

ell's expulsion left Harlem the only

coogressional district in the United

States without representation from

Powell was returned to Congress

without his chairmanship in Janu-

ary 1969. The Supreme Court de-

clared the expulsion unconstitu-

Dos Passos-like "biographies"

interspersed here and there in the

book work well, briefly supplying

crucial insights oo the personalities

who appear here. But the enigmatic

Powell, a lone sailor in rough seas

who merely wounded the great

John A. Williams, the author of 12

novels and 15 nonfiction books.

wrote this for The Washington Post.

white whale, remains hidden.

tional in June the same year.

1967 to 1969.

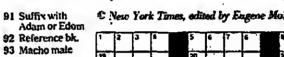
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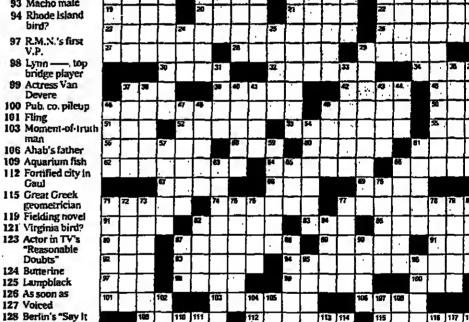
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C New York Times, edited by Eugene Maleska. Adam or Edom





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11 City NNE of 12 Collier's cooler 13 Yemeni capital 14 Dissolve 15 Bakery workers

16 Illinois bird? 17 Can, province

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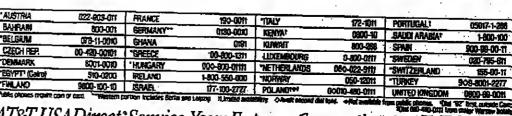
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